

## **NBP 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

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



## 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  
Bank Islami Pakistan Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Telenor Microfinance Bank Limited  
The First Microfinance Bank Limited  
United Bank Limited  
U Microfinance Bank Limited  
Khushhali Microfinance Bank Limited  
Habib Metropolitan Bank Limited  
Mobilink Microfinance 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](http://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 Savings Fund (NBP-SF)** for the quarter ended September 30, 2021.

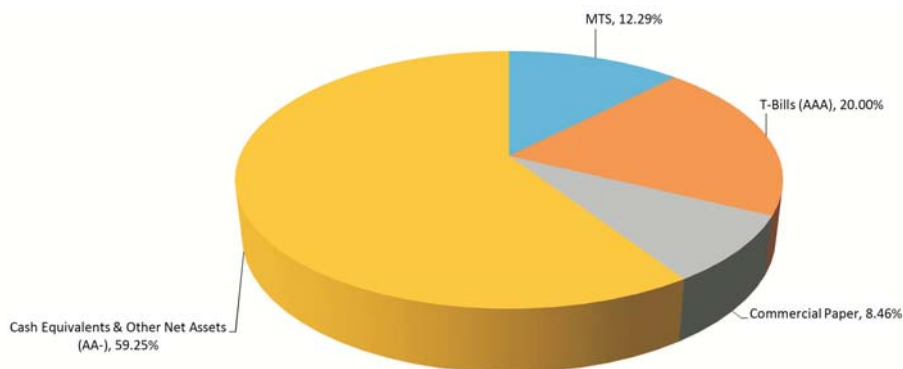
### Fund's Performance

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."

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A+(f)' by PACRA. 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 Savings Fund has decreased from Rs. 1,532 million to Rs. 1,490 million during the period (i.e., a decline of 3%). During the period, the unit price of NBP Income Fund has increased from Rs. 9.8076 on June 30, 2021 to Rs. 10.0276 on September 30, 2021, thus showing a return of 8.9% p.a. as compared to the benchmark return of 7.7% 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. 39.884 million during the period. After deducting total expenses of Rs. 6.560 million, the net income is Rs. 33.324 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NBP-SF.





## 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 سیونگ فنڈ (NBP-SF) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

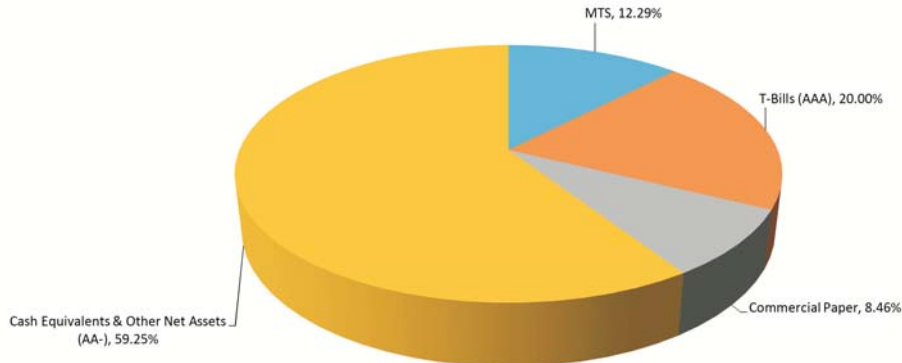
### فٹ کی کارکردگی

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 بتدریج کمی آئے گی۔"

NBP-SF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔ زیر جائزہ مدت کے دوران، شرح منافع نے آسان مالیاتی سائیکل کی واپسی کے نتائج دیکھے 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۔

موجودہ مدت کے دوران NBP سیونگ فنڈ کا سائز 1,532 ملین روپے سے کم ہو کر 1,490 ملین روپے ہو گیا یعنی 3% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، NBP انکم فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.8076 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.0276 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اسپن بیچ مارک 7.7% کے مقابلے میں 8.9% منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ رپورٹس کر دی گئی۔ اس پرویزنگ رپورٹس کے رپورسل 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 39,884 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 6,560 ملین روپے کے اخراجات مٹھا کرنے کے بعد خالص آمدنی 33,324 ملین روپے ہے۔ درج ذیل چارٹ NBP-SF کی ایسٹ ایبلویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:







## اظہار شکر

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

	Note	(Unaudited) 30 September 2021 (Rupees in '000)	(Audited) 30 June 2021
<b>Assets</b>			
Balances with banks	4	1,207,573	1,439,201
Investments	5	424,054	4,986
Profit receivable		9,033	8,407
Receivable against margin trading system		183,062	107,206
Receivable against conversion of units		-	-
Advance, deposits and prepayments		1,259	1,042
Total assets		<u>1,824,981</u>	<u>1,560,842</u>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - Management Company		5,036	4,602
Payable to Central Depository Company of Pakistan Limited - Trustee		106	104
Payable to Securities and Exchange Commission of Pakistan - annual fee		76	312
Payable against purchase of investments		298,005	-
Payable against redemption of units		27,463	4,830
Accrued expenses and other liabilities		4,468	18,989
Total liabilities		<u>335,154</u>	<u>28,837</u>
<b>Net assets</b>		<u>1,489,827</u>	<u>1,532,005</u>
<b>Unit holders' fund</b>		<u>1,489,827</u>	<u>1,532,005</u>
<b>Contingencies and commitments</b>	7		
		(Number of units)	
<b>Number of units in issue</b>		<u>148,573,043</u>	<u>156,205,928</u>
		(Rupees)	
<b>Net assets value per unit</b>		<u>10.0276</u>	<u>9.8076</u>

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

	Note	Quarter Ended	
		September 30	September 30
		2021	2020
		----- (Rupees in '000) -----	
<b>Income</b>			
Return / mark-up on:			
- bank balances and term deposits		20,694	23,313
- term finance certificates and sukuks		327	-
- government securities		2,128	2,773
- commercial paper		988	1,563
- margin trading system		6,593	10,237
Net loss on sale of investments		(7)	(117)
Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - held for trading		1	(2)
<b>Total income</b>		<b>30,724</b>	<b>37,767</b>
<b>Expenses</b>			
Remuneration of Management Company		2,142	2,626
Sindh Sales tax on remuneration of Management Company		278	341
Accounting and operational charges		474	390
Remuneration of Central Depository Company of Pakistan Limited - Trustee		284	293
Sindh Sales tax on remuneration of trustee		37	38
Annual fee - Securities and Exchange Commission of Pakistan		76	78
Selling and marketing expense	8	2,653	2,730
Settlement and bank charges		768	1,202
Rating Fee		9	111
Listing Fee		7	7
Auditors' remuneration		204	109
Legal and professional charges		129	28
Printing and related charges		9	5
Reversal of provision in respect of non-performing investment		(510)	-
<b>Total expenses</b>		<b>6,560</b>	<b>7,958</b>
Reversal / (Provision) for Sindh workers' welfare fund	6	9,160	(596)
<b>Net income for the period before taxation</b>		<b>33,324</b>	<b>29,213</b>
Taxation	9	-	-
<b>Net income for the period after taxation</b>		<b>33,324</b>	<b>29,213</b>
<b>Allocation of Net income for the period:</b>			
Net income for the period after taxation		33,324	29,213
Income already paid on units redeemed		(1,079)	(1,722)
		<b>32,245</b>	<b>27,491</b>
-Relating to capital gains		-	-
-Excluding capital gains		32,245	27,491
Accounting Income available for Distribution		<b>32,245</b>	<b>27,491</b>

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended	
	September 30 2021	September 30 2020
	----- (Rupees in '000) -----	
<b>Accounting Income available for Distribution</b>	<b>33,324</b>	29,213
Total comprehensive income for the period	<u><u>33,324</u></u>	<u><u>29,213</u></u>

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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September					
	2021			2020		
	Value	Undistributed income	Total	Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the year	1,526,730	5,275	1,532,005	1,691,334	3,236	1,694,570
Issuance of 24,520,169 units (2020: 22,353,897 units)						
- Capital value	240,484	-	240,485	218,942	-	218,942
- Element of income	4,168	-	4,168	1,501	-	1,501
Total proceeds on issuance of units	244,652	-	244,653	220,443	-	220,443
Redemption of 32,153,054 units (2020: 41,240,707 units)						
- Capital value	(315,344)	-	(315,344)	(403,924)	-	(403,924)
- Element of loss	(3,732)	(1,079)	(4,811)	(257)	(1,722)	(1,979)
Total payments on redemption of units	(319,076)	(1,079)	(320,155)	(404,181)	(1,722)	(405,903)
Total comprehensive income for the period	-	33,324	33,324	-	29,213	29,213
<b>Net assets at end of the period</b>	<b>1,452,306</b>	<b>37,520</b>	<b>1,489,827</b>	<b>1,507,596</b>	<b>30,727</b>	<b>1,538,323</b>
Undistributed gain brought forward						
- Realised gain		5,275			3,195	
- Unrealised gain		-			41	
		5,275			3,236	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		32,245			27,491	
		32,245			27,491	
Undistributed income carried forward		37,520			30,727	
Undistributed income carried forward						
- Realised gain		37,519			30,729	
- Unrealised gain / (loss)		1			(2)	
		37,520			30,727	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			9.8076			9.7943
Net assets value per unit at end of the period			10.0276			9.9807

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	September 30 2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	33,324	29,213
<b>Adjustments</b>		
Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss'	(1)	2
Net income for the period after taxation		
Reversal of SWWF provision	(9,160)	-
Provision for sindh workers' welfare fund		596
	<u>24,163</u>	<u>29,811</u>
<b>(Decrease) in assets</b>		
Investments	(419,067)	(143,464)
Profit receivable	(626)	(2,940)
Receivable against margin trading system	(75,856)	(227,783)
Advance, deposits and prepayments	(217)	1,643
	<u>(495,766)</u>	<u>(372,544)</u>
<b>Decrease / (Increase) in liabilities</b>		
Payable to Management Company	434	(1,060)
Payable to the Central Depository Company of Pakistan Limited - Trustee	2	18
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(236)	(149)
Payable against purchase of investments	298,005	-
Accrued expenses and other liabilities	(5,361)	(3,160)
	<u>292,844</u>	<u>(4,351)</u>
<b>Net cash (used in) operating activities</b>	<u>(178,759)</u>	<u>(347,084)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	244,653	220,443
Payments on redemption of units	(297,522)	(467,105)
Net cash (used in) financing activities	<u>(52,869)</u>	<u>(246,662)</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(231,628)</u>	<u>(593,746)</u>
Cash and cash equivalents at beginning of the period	1,439,201	1,414,360
<b>Cash and cash equivalents at end of the period</b>	<u><u>1,207,573</u></u>	<u><u>820,614</u></u>

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 Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 03 January 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 14 December 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). Subsequently, CDC retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new Trustee with effect from 22 November 2011. The SECP approved the appointment of MCBFSL as the Trustee in place of the CDC on 15 November 2011. Accordingly, the Trust Deed of the Fund was revised through a supplemental Deed executed between the Management Company, CDC and MCBFSL. During the year 2019, CDC is appointed in place of MCBFSL as the Trustee with effect from 19 October 2018. Accordingly the Trust Deed of the Fund was revised through a supplemental Deed executed between the Management Company and CDC. The effective date of change of name of the Fund is 4 April 2019

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building Block No. 4, Scheme No.5, Clifton, Karachi.

The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained a stability rating of 'A+(f)' [2020: A(f)] on 18-Oct-2021 to the Fund and an asset manager rating of 'AM1' (2020: AM1) on 23-Jun-21 to the Management Company.

Title of 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 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 Trust Act have been introduced. The Management Company, to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme's 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 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 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.

### 4 BANK BALANCES

	(Unaudited) 30 September 2021	(Audited) 30 June 2021
In current accounts	18	1,441
In savings accounts	1,207,555	1,437,760
	1,207,573	1,439,201

#### 4.1

These saving accounts carry mark-up at rates ranging from 5.50% to 8.50% per annum (June 2021: 5.5% to 8.5% per annum)

### 5 INVESTMENTS

	Note	(Unaudited) 30 September 2021	(Audited) 30 June 2021
<b>At fair value through profit or loss</b>			
Term finance certificates - listed	5.1.1	-	-
Term finance certificates - unlisted	5.1.1	-	-
Government Securities	5.3	298,006	4,986
Term deposits		-	-
Commercial paper	5.4	126,048	-
		424,054	4,986





## 5.1 Term finance certificates and sukuk bonds

### 5.1.1 Term finance certificates - At fair value through profit or loss

Name of the investee company	Number of certificates				Market value as at September 30, 2021 (Rs in '000)	Investment as a percentage of		
	As at July 1, 2021	Purchases during the period	Sales during the period	As at September 30, 2021		Net assets	Market value of total investments	Issue size
Term finance certificates - listed								
Saudi Pak Leasing Company Limited (5.1.3)	15,000	-	-	15,000	-	-	-	-
Worldcall Telecom Limited (5.1.4)	14,000	-	-	14,000	-	-	-	-
				<b>29,000</b>	-	-	-	-
Term finance certificates - unlisted								
Agritech Limited II (note 5.1.5)	30,000	-	-	30,000	-	-	-	-
Agritech Limited V (note 5.1.6)	4,436	-	-	4,436	-	-	-	-
				<b>34,436</b>	-	-	-	-
				<b>63,436</b>	-	-	-	-

5.1.2 All term finance certificates and sukuk bonds have a face value of Rs 5,000 each.

5.1.3 This represents investment in listed term finance certificates with original term of five years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its terms on December 26, 2011 with new maturity in March 2017. During the year, the investee company again defaulted on its obligation on account of principal and profit payment. The amount of provision as per circular no.1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.1.4 This represents investment in listed term finance certificates of Worldcall Telecom Ltd. On April 07, 2012, the investee company defaulted on its obligation on account of principal and profit payment. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.1.5 This represents investment in privately placed unlisted term finance certificates with a term of seven years. On July 14, 2010 the investee company defaulted on its obligation on account of principal and profit payment. The amount of provision as per circular 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.1.6 This represents investment in privately placed term finance certificates of Agritech V received against due markup of Agritech I. The management has classified these PPTFC's as non-performing. The amount of provision as per circular 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

### 5.2 Sukuk bonds - At fair value through profit or loss

Name of the investee company	Number of certificates / bonds				Market value as at September 30, 2021 (Rs in '000)	Investment as a percentage of		
	As at July 1, 2021	Purchases during the period	Sales during the period	As at September 30, 2021		Net assets	Market value of total investments	Issue size
Sukuk bonds - unlisted								
New Allied Electronics Industries (Private) Limited (note 5.2.1)	10,000	-	-	10,000	-	-	-	-
Eden Housing Limited (note 5.2.2)	20,000	-	-	20,000	-	-	-	-
				<b>30,000</b>	-	-	-	-

5.2.1 This represents investment in privately placed sukuks with a term of five years. On December 3, 2008, the investee company had defaulted on its obligation on account of profit repayment. The amount of provision as per circular 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.2.2 This represents investment in privately placed sukuks with a term of 12 years. On 06 May 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.



## 5.3 Government Securities - at fair value through profit or loss

Issue Date	Tenor	Face Value				Market value as at September 30, 2021 (Rs. in "000")	Investment as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / Matured during the period	As at September 30, 2021		Net assets	Market value of total investments
<b>Market Treasury Bills</b>								
22 April 2021	3 months	5,000		5,000	-	-	-	-
20 May 2021	3 months		100,000	100,000	-	-	-	-
20 May 2021	3 months		50,000	50,000	-	-	-	-
3 June 2021	3 months		60,000	60,000	-	-	-	-
15 July 2021	3 months		50,000	50,000	-	-	-	-
3 June 2021	3 months		15,000	15,000	-	-	-	-
3 June 2021	3 months		18,000	18,000	-	-	-	-
29 July 2021	3 months		100,000	75,000	25,000	24,899	3.92	8.35
27 August 2020	12 months		85,000	85,000	-	-	-	-
27 August 2020	12 months		35,000	35,000	-	-	-	-
27 August 2020	12 months		70,000	70,000	-	-	-	-
27 August 2020	12 months		50,000	50,000	-	-	-	-
27 August 2020	12 months		35,000	35,000	-	-	-	-
27 August 2020	12 months		15,000	15,000	-	-	-	-
25 March 2021	06 months		60,000	60,000	-	-	-	-
25 March 2021	06 months		25,000	25,000	-	-	-	-
25 March 2021	06 months		30,000	30,000	-	-	-	-
6 May 2021	06 months		275,000	-	275,000	273,107	42.94	91.64
29 July 2021	3 months		25,000	25,000	-	-	-	-
						298,006		
						298,005		

Carrying cost of investments as at September 30, 2021

**5.3.1** Investments include market treasury bills with market value of Rs. 298.006 million (30 June 2021: Rs 4.98 million)

**5.4** This represents the purchase of commercial paper K-Electric on August 26, 2021 (having face value of Rs. 130 million). These carries profit at the rate of 7.80% per annum and will mature on February 22, 2022.

## 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.

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP SAVINGS FUND amounting to Rs. 9.38 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 SAVINGS FUND by 0.63% 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 0.70% 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. 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, 2021 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.

During the period, an Appellate Order was received dated 1 September 2021, whereby earlier assessment Orders were vacated and the matter was remanded back for fresh decision, keeping in view the latest explanation issued by FBR dated 25 February 2021 (as explained in June 30, 2021 financial ).

In view of the above and based on the opinion of tax advisor, the Management company believes that the Fund has distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the ITO and hence, no provision for taxation is required to be made in these interim condensed financial statements.

## 10 Total Expense Ratio

The annualised total expense ratio (TER) of the Fund based on the current period is 1.73% (September 30, 2021, 2.20%) which includes 0.10% (September 30, 2020: 1.93%) 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 Details of non-compliant investment

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Income Fund'

In accordance with clause (iii) of the investment criteria laid down for 'Income Schemes', the Fund is required to invest atleast 25% of the net assets in cash and near cash instruments which include cash in bank accounts(excluding TDRs), treasury bills not exceeding 90 days maturity. Clause (v) of the categorization criteria requires that the ratings of any security in the portfolio of the Fund shall not be lower than investment grade. However, as at September 30, 2016, the Fund is in non-compliance with the above-mentioned requirement in respect of the following:

Type of Investment	Name of Non-Compliant Investment	investment before provision	Provision held, if any	investment after provision	Percentage of net assets	Percentage of gross assets
Investment in Debe Securities	New Allied Electronics (Pvt) Ltd II	49,054	49,054	-	-	-
	AgriTech Limited II	149,876	149,876	-	-	-
	AgriTech Limited V	22,180	22,180	-	-	-
	Eden Housing Ltd.	19,688	19,688	-	-	-
	Saudi Pak Leasing Co.	41,321	41,321	-	-	-
	Worldcall Telecom Limited.	22,816	22,816	-	-	-
		304,935	304,935	-	-	-



11.1 At the time of purchase, the above Term Finance Certificates were in compliance with the circular (i.e. investment grade) and was subsequently downgraded. In case of New Allied Electronics Industries (Private) Limited, Agri Tech Limited and Eden Housing Limited the downgrading has been made due to default in payments of due principal and markup.

## 12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), 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 Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

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

	(Un-audited)	
	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
<b>12.5 Details of the transactions with connected persons are as follows:</b>	(Rupees in '000)	
<b>NBP Fund Management Limited - Management company</b>		
Management fee expense for the period	2,142	2,626
Sindh Sales Tax on remuneration of the management company	278	341
Sale load and transfer load during the period	99	-
Sale tax on sale load and transfer load	13	-
Reimbursement of operational expenses to the Management Company	474	390
Selling and marketing expense	2,653	2,730
<b>Central Depository Company of Pakistan - Trustee</b>		
Remuneration	284	293
Sindh sales tax on remuneration of the Trustee Fee	37	38
<b>Employees of Management Company</b>		
Units Issued / Trasferred In 3,220 units (2020: 699,786 units)	32	6,903
Units Redeemed / Transferred Out 11,512 units (2020: 914,223 unit)	114	9,009
<b>Portfolio managed by the Management Company</b>		
Sold Treasury bills	-	72,685
<b>Bankislami Pakistan Limited (Common Directorship)</b>		
Bank profit	-	9
<b>National Clearing Company of Pakistan (Common Directorship)</b>		
NCCPL Charges	55	52
<b>Pakistan Stock Exchange Limited*</b>		
Annual listing Fee	-	25
<b>K.T.H CP Fund (M.T.I)</b>		
Units Issued / Trasferred In Nil units (2020: 330,689 units)	-	3,268

\*Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties



	Un-audited As at September 30, 2021 (Rupees in '000)	Audited As at June 30, 2021
<b>12.6 Amounts outstanding as at period / year end</b>		
<b>NBP Fund Management Limited - Management company</b>		
Management fee payable	727	666
Sindh sales tax	94	87
Allocation of expenses related to registrar services, accounting, operation and valuation services payable	474	475
Selling and marketing expense	2,653	2,659
Sales and transfer load during the period	921	610
Sindh sales tax on sales load and transfer load	130	79
ADC charges payable including	37	64
<b>Central Depository Company of Pakistan - Trustee</b>		
Remuneration payable	94	92
Sindh Sales Tax on remuneration of the trustee	12	12
Security deposit	100	100
CDC Charges	185	30
<b>Employees of the Management Company</b>		
Investment held in the fund 257,273 units (June 30, 2021 : 265,984 units)	2,580	2,609
<b>Bankislami Pakistan Limited</b>		
Bank balance	700	400
Mark up on balance	4	3
<b>National Clearing Company of Pakistan</b>		
NCCPL Charges Payable	25	13
NCCPL Deposit	250	250
<b>Khushhali Microfinance Bank Limited (Common Directorship)**</b>		
Bank balance	172,342	168,702
Mark-up on bank balance	1,098	1,086
<b>Telenor Microfinance Bank Limited (Common Directorship)**</b>		
Bank balance	104	104
Mark-up on bank balance	20	20
<b>Fauji Fertilizer Company Limited (Common Directorship)</b>		
34 units issued (2021: 34 units)	-	-
<b>Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund</b>		
<b>NBP Employees Pension Fund</b>		
Investment held in the Fund 80,072,905 units; (June 30, 2021: 80,072,905 units)	802,939	785,323
<b>K.T.H CP Fund (M.T.I)</b>		
United held: Nil units (June 30, 2021: 23,584,650 units)	-	231,309



## 13 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.

## 14 GENERAL

14.1 Figures have been rounded off to the nearest thousand 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

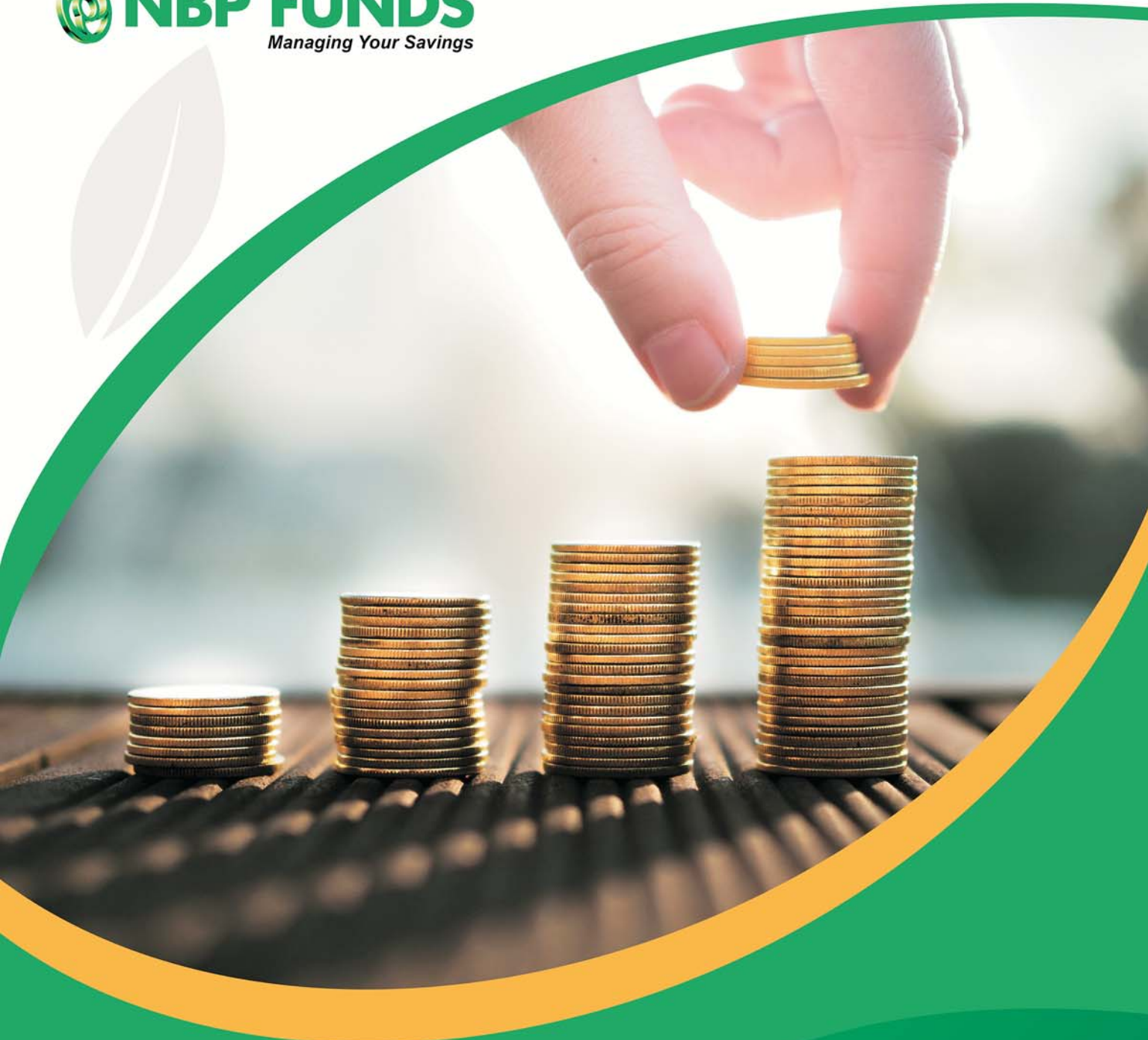
**Fax:** 021-35825335

**Email:** [info@nbpffunds.com](mailto:info@nbpffunds.com)

**Website:** [www.nbpffunds.com](http://www.nbpffunds.com)

 /nbpffunds





## **NBP STOCK 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

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



## 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

MCB Bank Limited	Faysal Bank Limited
JS Bank Limited	Soneri Bank Limited
Meezan Bank Limited	The Bank of Punjab
Habib Bank Limited	Albaraka Bank of Pakistan
United Bank Limited	Silk Bank Limited
Bank Alfalah Limited	Bank Islami Pakistan Limited
Bank Al Habib Limited	Dubai Islamic Bank Pakistan Limited
Askari Bank Limited	U Microfinance Bank Limited
Habib Metropolitan Bank Limited	Telenor Microfinance Bank Limited
Allied Bank Limited	Khushhali Microfinance Bank Limited
National Bank of Pakistan	The First Microfinance Bank Limited
Samba Bank Limited	Mobilink Microfinance Bank Limited
Zarai Taraqiati 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 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 Stock Fund (NSF)** for the quarter ended September 30, 2021.

### Fund's Performance

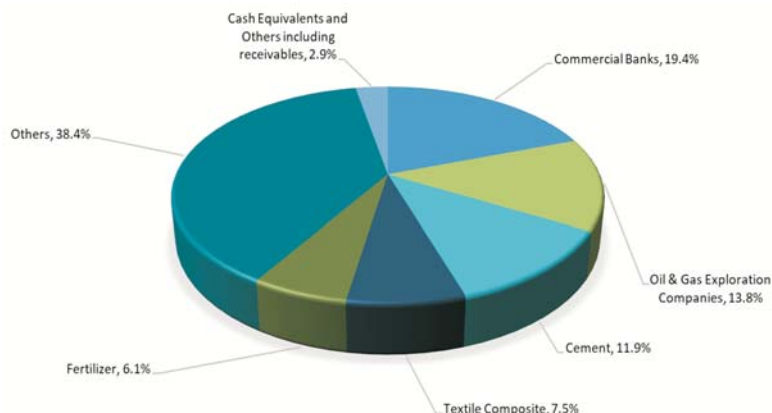
After delivering a robust 38% return in FY21, the stock market lost positive momentum as the benchmark KSE 100 Index fell by 5.2% during 1QFY22. In the first two months of the outgoing quarter, range bound activity was witnessed at the local bourse amid thin trading volumes and lackluster investors'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

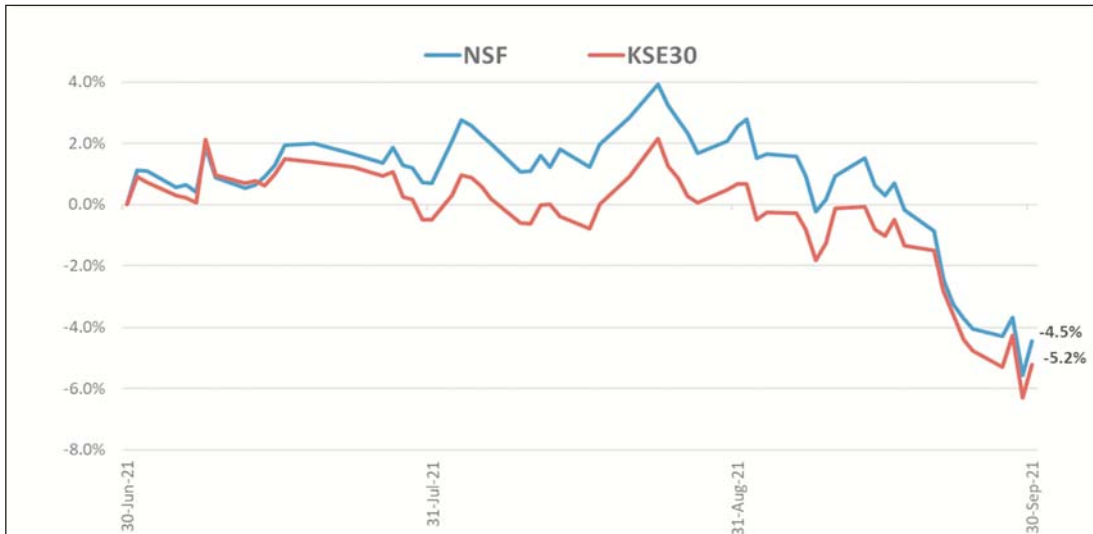
The size of NBP Stock Fund has decreased from Rs. 20,694 million to Rs. 19,710 million during the period, i.e., a decrease of 5%. During the period, the unit price of NBP Stock Fund (NSF) has decreased from Rs. 16.0433 on June 30, 2021 to Rs. 15.3290 on September 30, 2021, thus showing a decrease of 4.5%. The Benchmark for the same period decreases by 5.2%. Thus, the Fund has outperformed its Benchmark by 0.7% during the period under review. Since inception the NAV of the Fund has increased from Rs. 2.6860 (Ex-Div) on January 19, 2007 to Rs 15.3290 on September 30, 2021, thus showing an increase of 470.7%. During the said period, the Benchmark increased by 110.8%, translating into outperformance of 359.9%. 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 shall not be repeated in the future.

NBP Stock Fund has incurred a loss of Rs. 685.00 million during the period. After incurring total expenses of Rs. 217.22 million, the total loss is Rs. 902.22 million. The asset allocation of the Fund as on September 30, 2021 is as follows:





## NSF 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 منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسٹاک فنڈ (NSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

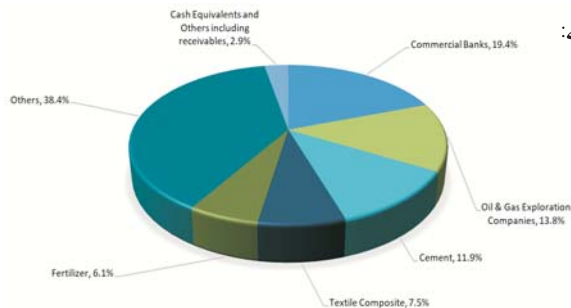
مالی سال 2021 میں 38 فیصد کا بھرپور منافع دینے کے بعد، اسٹاک مارکیٹ کی مثبت رفتار کم ہو گئی جیسا کہ مالی سال 22 کی پہلی سہ ماہی کے دوران نیچے مارک 100-KSE انڈیکس میں 5.2 فیصد کی کمی ہوئی۔ رواں سہ ماہی کے پہلے دو ماہ میں، رینج باؤنڈ سرگرمی میں مقامی سطح پر تجارتی حجم اور سرمایہ کاروں کی شرکت کی کمی دیکھی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

لینڈ کارپوریشن 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 حملہ پھیلنے والے اثرات کے ساتھ سرمایہ کار پاکستان امریکہ تعلقات تبدیل ہو چکے بارے میں پریشان دکھائی دیے۔ سرمایہ کاروں کی ناراضگی میں مزید اضافہ کیا جاتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) نے جو کہ اگست 2021 میں تقریباً 1.5 بلین امریکی ڈالر اور پچھلے مہینے میں 800 ملین 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۔ کچھت 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 چنگوٹوں کے مطابق، انڈیکس میں مسلسل کمی کے بعد مارجن 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 روشن ڈیجیٹل اکاؤنٹ (RDA) میں 849 ملین امریکی ڈالر کی ریکارڈ آمد ہوئی ہے، جس سے مجموعی آمد 2.4 بلین ڈالر اور SDR ایلیکٹیشن کی مد میں آئی ایم ایف سے 2.7 بلین امریکی ڈالر کی وصولی ہوئی۔

مارکیٹ کی سیکٹرز کارکردگی کو دیکھتے ہوئے، آٹوموبائل اسمبلر ز اور ایسیریز، سینٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس ایکسپلوریشن اور مارکیٹنگ کمپنیاں، کاغذ اور بورڈ، ریٹائریٹ اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا جبکہ کیمیکلز، کمرشل بینک، کھاد، خوراک اور ذاتی گھنڈاشت، گلاس اینڈ سرامکس، پاور جنریشن اور ڈسٹری بیوٹن، جیکنا لوجی 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 ملین امریکی ڈالر، 27 ملین امریکی ڈالر اور 21 ملین امریکی ڈالر کی خالص آمد کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 83 ملین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں سب سے بڑے فروخت کنندگان تھے۔

اس مدت کے دوران NBP اسٹاک فنڈ (NSF) کا سائز 20,694 ملین روپے سے کم ہو کر 19,710 ملین روپے ہو گیا ہے، یعنی 5% کی کمی ہوئی۔ اس مدت کے دوران NBP اسٹاک فنڈ (NSF) کے یونٹ کی قیمت 30 جون 2021 کو 16.0433 روپے سے کم ہو کر 30 ستمبر 2021 کو 15.3290 روپے تک پہنچ چکی ہے، لہذا 4.5% کی کمی ہوئی۔ اسی مدت کے دوران نیچے مارک 5.2% سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے نیچے مارک سے 0.7% کی بہتر کارکردگی کا مظاہرہ کیا۔ اپنے قیام کے وقت سے لے کر اب تک اس فنڈ کی NAV 19 جنوری 2007 کو 2.6860 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2021 کو 15.3290 روپے ہو گئی، یعنی 470.7% کا اضافہ ہوا۔ جبکہ مذکورہ بالا مدت کے دوران نیچے مارک 110.8% سے بڑھا، لہذا اب تک فنڈ نے 359.9% کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ رپورس کر دی گئی۔ اس پروڈنگ کے رپورسل 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 اسٹاک فنڈ کو اس مدت کے دوران 685.00 ملین روپے کا نقصان ہوا۔ 217.22 ملین روپے کے اخراجات متہا کرنے کے بعد مجموعی نقصان 902.22 ملین روپے ہے۔



NSF کی کارکردگی بمقابلہ بیف 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۔ یہ سیکورٹیز اینڈ 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 آرٹسٹس 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)	
<b>ASSETS</b>		
Bank balances	666,778	660,437
Investments	19,527,531	20,290,143
Dividend and profit receivable	115,476	1,490
Receivable against sale of investments	-	10,477
Receivable against conversion of units	899	12,989
Advances, deposits and prepayments	10,335	157,096
<b>Total assets</b>	<b>20,321,019</b>	<b>21,132,632</b>
<b>LIABILITIES</b>		
Payable to NBP Fund Management Limited - Management Company	145,773	139,507
Payable to Central Depository Company of Pakistan Limited - Trustee	1,983	2,077
Payable to Securities and Exchange Commission of Pakistan	1,056	3,632
Payable against purchase of investments	409,505	-
Payable against redemption of units	9,830	10,507
Accrued expenses and other liabilities	43,221	283,036
<b>Total liabilities</b>	<b>611,368</b>	<b>438,759</b>
<b>NET ASSETS</b>	<b>19,709,651</b>	<b>20,693,873</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>	<b>19,709,651</b>	<b>20,693,873</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	6	
	----- Number of units -----	
<b>Number of units in issue</b>	<b>1,285,776,164</b>	<b>1,289,877,976</b>
	----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>15.3290</b>	<b>16.0433</b>

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

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
Note	(Rupees in '000)	
<b>INCOME</b>		
(Loss) / gain on sale of investments - net	(13,222)	342,529
Profit on bank deposits	5,528	5,257
Income from government securities	8,838	9,336
Dividend income	299,947	71,465
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,196,710)	2,292,925
<b>Total (loss) / income</b>	<b>(895,619)</b>	<b>2,721,512</b>
<b>EXPENSES</b>		
Remuneration of the NBP Fund Management Limited - Management Company	78,991	61,480
Sales tax on remuneration of the Management Company	10,269	7,992
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	5,531	4,351
Sales tax on Remuneration of the Trustee	719	566
Accounting and operational expenses	9,828	4,099
Annual fee - Securities and Exchange Commission of Pakistan	1,056	820
Securities transaction cost	4,123	7,520
Settlement and bank charges	446	624
Annual listing fee	7	7
Auditors' remuneration	238	250
Fund rating fee	67	61
Legal and professional charges	40	45
Printing charges	25	23
Selling and marketing expenses	105,882	61,480
	7	
<b>Total Expenses</b>	<b>217,222</b>	<b>149,318</b>
<b>Net (loss) / income from operating activities</b>	<b>(1,112,841)</b>	<b>2,572,194</b>
Reversal / (provision) for Sindh Workers' Welfare Fund	5	(51,444)
<b>Net (loss) / income for the period before taxation</b>	<b>(902,217)</b>	<b>2,520,750</b>
Taxation	8	-
<b>Net (loss) / income for the period after taxation</b>	<b>(902,217)</b>	<b>2,520,750</b>
<b>Earnings per unit</b>		
<b>Allocation of net income for the period</b>		
Net income for the period after taxation	-	2,520,750
Income already paid on units redeemed	-	(191,432)
	-	2,329,318
<b>Accounting income available for distribution:</b>		
- Relating to Capital Gains	-	2,329,318
- Excluding Capital Gains	-	-
Accounting Income available for Distribution	-	2,329,318

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021 (Rupees in '000)	Quarter Ended September 30, 2020
Net (loss) / income for the period after taxation	(902,217)	2,520,750
Other Comprehensive Income for the period	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u><u>(902,217)</u></u>	<u><u>2,520,750</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 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		
	Capital value	Undistributed income	Total	Capital value	Undistributed income / (loss)	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	18,001,366	2,692,507	20,693,873	14,382,261	(680,642)	13,701,619
Issue of 156,178,173 units (2020: 168,646,707 units)						
- Capital value	2,505,613	-	2,505,613	2,018,398	-	2,018,398
- Element of income	24,204	-	24,204	326,780	-	326,780
Total proceeds on issuance of units	2,529,817	-	2,529,817	2,345,178	-	2,345,178
Redemption of 160,279,985 units (2020: 130,199,374 units)						
- Capital value	(2,571,420)	-	(2,571,420)	(1,558,252)	-	(1,558,252)
- Element of loss	(40,402)	-	(40,402)	(68,794)	(191,432)	(260,226)
Total payments on redemption of units	(2,611,822)	-	(2,611,822)	(1,627,046)	(191,432)	(1,818,478)
Total comprehensive (loss) / income for the period	-	(902,217)	(902,217)	-	2,520,750	2,520,750
<b>Net assets at end of the period</b>	<b>17,919,361</b>	<b>1,790,290</b>	<b>19,709,651</b>	<b>15,100,393</b>	<b>1,648,676</b>	<b>16,749,069</b>
Undistributed income / (loss) brought forward						
- Realised		(949,603)			27,819	
- Unrealised		3,642,110			(708,461)	
		2,692,507			(680,642)	
Accounting income available for distribution:						
- Relating to Capital Gains		-			2,329,318	
- Excluding Capital Gains		-			-	
		-			2,329,318	
Total comprehensive (loss) / income for the period		(902,217)			-	
Undistributed income carried forward		1,790,290			1,648,676	
Undistributed income / (loss) carried forward						
- Realised		2,987,000			(644,249)	
- Unrealised		(1,196,710)			2,292,925	
		1,790,290			1,648,676	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		16.0433				11.9682
Net assets value per unit at end of the period		15.3290				14.1548

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)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(902,217)	2,520,750
<b>Adjustments</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	<u>1,196,710</u>	<u>(2,292,925)</u>
	294,493	227,825
<b>(Increase) / decrease in assets</b>		
Investments	(434,098)	(503,017)
Dividend and profit receivable	(113,986)	(22,176)
Receivable against sale of investments	10,477	(44,876)
Advances, deposits and prepayments	146,761	40
	(390,846)	(570,029)
<b>Increase / (decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	6,266	23,314
Payable to Central Depository Company of Pakistan Limited - Trustee	(94)	337
Payable to Securities and Exchange Commission of Pakistan	(2,576)	(1,800)
Payable against purchase of investments	409,505	-
Accrued expenses and other liabilities	(239,815)	58,940
	173,286	80,791
<b>Net cash generated from / (used in) operating activities</b>	<u>76,933</u>	<u>(261,413)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	2,541,907	2,343,145
Net payments on redemption of units	(2,612,499)	(1,857,648)
<b>Net cash (used in) / generated from financing activities</b>	<u>(70,592)</u>	<u>485,497</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>6,341</u>	<u>224,084</u>
Cash and cash equivalents at the beginning of the period	660,437	563,575
<b>Cash and cash equivalents at the end of the period</b>	<u><u>666,778</u></u>	<u><u>787,659</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

The NBP Stock 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 executed on 06 December 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 01 December 2006 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 the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).

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

The core objective of the Fund, is to provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM1" to the Management Company and performance rating of '3-Star' to the Fund.

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

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 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 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.

### 4 INVESTMENTS

#### *Financial assets 'at fair value through profit or loss'*

	Note	Un-audited September 30, 2021 (Rupees in '000)	Audited June 30, 2021
Listed equity securities	4.1	19,129,149	20,290,143
Market Treasury Bills	4.2	398,382	-
		<b>19,527,531</b>	<b>20,290,143</b>

#### 4.1 Investment in listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of Thal Limited, Dynea Pakistan Limited, Shabbir Tiles and Ceramics Limited and Agriauto Industriues Limited which have a face value of Rs.5, K-Electric Limited which have a face of each and Hum Network which have face of Re. 1 each.

Name of the Investee Company	As at 1 July 2021	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2021	Market value /carrying value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)					(Rupees in '000)	(%)			
<b>Oil and Gas Exploration Company</b>										
Pakistan Oilfields Limited	900,584	-	-	-	27,700	872,884	327,637	1.66	1.68	0.31
Pakistan Petroleum Limited	7,841,661	1,003,800	-	-	-	8,845,461	662,614	3.36	3.39	0.33
Mari Petroleum Company Limited	666,466	-	-	-	-	666,466	1,035,268	5.25	5.30	0.50
Oil & Gas Development Company Limited	7,539,489	905,000	-	-	75,000	8,369,489	701,363	3.56	3.59	0.19
	<b>16,948,200</b>	<b>1,908,800</b>	<b>-</b>	<b>-</b>	<b>102,700</b>	<b>18,754,300</b>	<b>2,726,882</b>	<b>13.83</b>	<b>13.96</b>	



Name of the Investee Company	As at 1 July 2021	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2021	Market value /carrying value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	( Number of shares )					(Rupees in '000)	( % )			
<b>Oil and Gas Marketing Company</b>										
Pakistan State Oil Company Limited	2,630,079	-	-	-	47,500	2,582,579	519,073	2.63	2.66	0.55
Attock Petroleum Limited	154,970	-	-	-	-	154,970	44,942	0.23	0.23	0.16
Hascol Petroleum Limited	4,073	-	-	-	-	4,073	26	-	-	-
Sui Northern Gas Pipelines Limited	342,699	-	-	-	-	342,699	15,586	0.08	0.08	0.05
	<b>3,131,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,500</b>	<b>3,084,321</b>	<b>579,627</b>	<b>2.94</b>	<b>2.97</b>	
<b>Fertilizer</b>										
Engro Corporation Limited	1,988,401	-	-	-	96,900	1,891,501	529,148	2.68	2.71	0.33
Fauji Fertilizer Bin Qasim Company Limited	15,008,345	2,546,000	-	-	1,951,500	15,602,845	351,064	1.78	1.80	1.21
Fauji Fertilizer Company Limited	3,411,052	-	-	-	181,400	3,229,652	329,618	1.67	1.69	0.25
	<b>20,407,798</b>	<b>2,546,000</b>	<b>-</b>	<b>-</b>	<b>2,229,800</b>	<b>20,723,998</b>	<b>1,209,830</b>	<b>6.13</b>	<b>6.20</b>	
<b>Chemical</b>										
Engro Polymer & Chemicals Limited	12,085,474	231,500	-	-	690,000	11,626,974	640,297	3.25	3.28	1.28
Dynea Pakistan Limited	19,000	-	-	-	-	19,000	4,318	0.02	0.02	0.10
I.C.I. Pakistan Limited	159,850	-	-	-	-	159,850	126,852	0.64	0.65	0.17
Lotte Chemical Pakistan Limited	15,216,500	3,534,500	-	-	680,000	18,071,000	252,813	1.28	1.29	1.19
	<b>27,480,824</b>	<b>3,766,000</b>	<b>-</b>	<b>-</b>	<b>1,370,000</b>	<b>29,876,824</b>	<b>1,024,280</b>	<b>5.19</b>	<b>5.24</b>	
<b>Automobile Parts and Accessories</b>										
Agriaautos Industries Limited	7,000	-	-	-	-	7,000	1,574	0.01	0.01	0.02
Thal Limited*	369,889	-	-	-	-	369,889	143,647	0.73	0.74	0.46
Baluchistan Wheels Limited	87,000	-	-	-	-	87,000	6,678	0.03	0.03	0.65
Panther Tyres Limited	3,267,549	428,000	678,510	-	-	4,374,059	216,341	1.10	1.11	2.60
	<b>3,731,438</b>	<b>428,000</b>	<b>678,510</b>	<b>-</b>	<b>-</b>	<b>4,837,948</b>	<b>368,240</b>	<b>1.87</b>	<b>1.89</b>	
<b>Cement</b>										
D.G. Khan Cement Company Limited	1,009,101	-	-	-	740,051	269,050	23,789	0.12	0.12	0.06
Lucky Cement Limited	1,251,741	25,000	-	-	77,500	1,199,241	866,931	4.40	4.44	0.37
Maple Leaf Cement Factory Limited	3,881,401	63,300	-	-	242,067	3,702,634	130,333	0.66	0.67	0.34
Attock Cement Pakistan Limited	797,500	677,700	-	-	-	1,475,200	207,797	1.05	1.06	1.07
Fecto Cement Limited	243,200	-	-	-	-	243,200	5,834	0.03	0.03	0.48
Fauji Cement Company Limited	16,892,500	2,777,000	-	-	480,000	19,189,500	344,452	1.75	1.76	1.39
Kohat Cement Company Limited	4,271,820	189,800	-	-	48,100	4,413,520	758,861	3.85	3.89	2.20
Cherat Cement Company Limited	287,700	-	-	-	287,700	-	-	-	-	-
	<b>28,634,963</b>	<b>3,732,800</b>	<b>-</b>	<b>-</b>	<b>1,875,418</b>	<b>30,492,345</b>	<b>2,337,997</b>	<b>11.86</b>	<b>11.97</b>	
<b>Paper and Board</b>										
Century Paper and Board Mills Limited	1,817,720	-	115,233	-	1,049,500	883,453	66,197	0.34	0.34	0.44
Roshan Packages Limited	1,494,500	-	-	-	-	1,494,500	37,213	0.19	0.19	1.05
	<b>3,312,220</b>	<b>-</b>	<b>115,233</b>	<b>-</b>	<b>1,049,500</b>	<b>2,377,953</b>	<b>103,410</b>	<b>0.53</b>	<b>0.53</b>	





Name of the Investee Company	As at 1 July 2021	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2021	Market value /carrying value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)					(Rupees in '000)	(%)			
<b>Automobile Assembler</b>										
Indus Motor Company Limited	39,180	-	-	-	-	39,180	45,767	0.23	0.23	0.05
Honda Atlas Cars (Pakistan) Limited	183,000	75,900	-	-	-	258,900	68,210	0.35	0.35	0.18
Millat Tractors Limited	344,362	100	-	-	600	343,862	369,033	1.87	1.89	0.61
Pak Suzuki Motor Company Limited	193,700	-	-	-	191,700	2,000	535	-	-	-
	<b>760,242</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>192,300</b>	<b>643,942</b>	<b>483,545</b>	<b>2.45</b>	<b>2.47</b>	
<b>Pharmaceuticals</b>										
Abbot Laboratories (Pakistan) Limited	115,000	6,450	-	-	-	121,450	93,864	0.48	0.48	0.12
AGP Limited	959,000	30,000	-	-	624,700	364,300	41,818	0.21	0.21	0.13
Citi Pharma Limited	-	3,111,533	-	-	425,000	2,686,533	120,679	0.61	0.62	1.29
GlaxoSmithKline (Pakistan) Limited	169,300	-	-	-	-	169,300	25,026	0.13	0.13	0.05
GlaxoSmithKline Consumer Healthcare Pakistan Limited	15,600	-	-	-	7,000	8,600	2,194	0.01	0.01	0.01
The Searle Company Limited	1,299,839	60,700	-	-	-	1,360,539	274,162	1.39	1.40	0.57
	<b>2,558,739</b>	<b>3,208,683</b>	<b>-</b>	<b>-</b>	<b>1,056,700</b>	<b>4,710,722</b>	<b>557,743</b>	<b>2.83</b>	<b>2.85</b>	
<b>Engineering</b>										
Agha Steel Industries Limited	2,868,500	-	-	-	1,658,000	1,210,500	33,277	0.17	0.17	0.20
Aisha Steel Mills Limited	7,290,500	1,483,000	-	-	-	8,773,500	182,577	0.93	0.93	1.15
Amreli Steels Limited	802,000	-	-	-	252,500	549,500	21,513	0.11	0.11	0.19
International Industries Limited	822,400	-	-	-	-	822,400	137,152	0.70	0.70	0.62
International Steels Limited	1,397,199	340,000	-	-	-	1,737,199	132,392	0.67	0.68	0.40
Mughal Iron and Steel Industries Limited	6,054,370	206,100	-	-	194,000	6,066,470	592,209	3.00	3.03	2.08
	<b>19,234,969</b>	<b>2,029,100</b>	<b>-</b>	<b>-</b>	<b>2,104,500</b>	<b>19,159,569</b>	<b>1,099,120</b>	<b>5.58</b>	<b>5.62</b>	
<b>Textile Composite</b>										
Azgard Nine Limited (Non-voting)	806,400	-	-	-	-	806,400	5,645	0.03	0.03	0.16
Crescent Textile Mills Limited	-	40,000	-	-	-	40,000	938	-	-	0.04
Gul Ahmed Textile Mills Limited	4,304,160	1,261,000	-	-	230,000	5,335,160	292,420	1.48	1.50	1.04
Interloop Limited	3,514,201	343,500	-	-	132,500	3,725,201	265,123	1.35	1.36	0.41
Kohinoor Textile Mills Limited	6,773,519	77,500	-	-	-	6,851,019	475,803	2.41	2.44	2.29
Nishat Chunian Limited	4,554,300	200,000	-	-	401,000	4,353,300	215,575	1.09	1.10	1.81
Nishat Mills Limited	2,549,700	215,000	-	-	356,500	2,408,200	218,809	1.11	1.12	0.68
	<b>22,502,280</b>	<b>2,137,000</b>	<b>-</b>	<b>-</b>	<b>1,120,000</b>	<b>23,519,280</b>	<b>1,474,313</b>	<b>7.47</b>	<b>7.55</b>	
<b>Food and Personal Care Products</b>										
Al-Shaheer Corporation Limited	23,475	-	-	-	-	23,475	333	-	-	0.01
At-Tahur Limited	-	41,000	-	-	-	41,000	1,122	0.01	0.01	0.02
Shezan International Limite	-	5,300	-	-	-	5,300	1,692	0.01	0.01	0.05
	<b>23,475</b>	<b>46,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,775</b>	<b>3,147</b>	<b>0.02</b>	<b>0.02</b>	
<b>Technology and Communication</b>										
Avanceon Limited	501,554	-	-	-	105,000	396,554	48,919	0.25	0.25	0.15
Pakistan Telecommunication Company Limited	2,925,000	700,000	-	-	1,240,000	2,385,000	22,324	0.11	0.11	0.06
System Limited	1,561,921	-	-	-	20,500	1,541,421	1,121,399	5.69	5.74	1.12
	<b>4,988,475</b>	<b>700,000</b>	<b>-</b>	<b>-</b>	<b>1,365,500</b>	<b>4,322,975</b>	<b>1,192,642</b>	<b>6.05</b>	<b>6.10</b>	



Name of the Investee Company	As at 1 July 2021	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2021	Market value /carrying value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	( Number of shares )					(Rupees in '000)	(%)			
<b>Power Generation and Distribution</b>										
Kot Addu Power Company Limited	1,099,500	-	-	-	271,500	828,000	28,980	0.15	0.15	0.09
Lalpir Power Limited	5,576,500	-	-	-	-	5,576,500	87,495	0.44	0.45	1.47
Nishat Chunian Power Limited	1,367,000	-	-	-	-	1,367,000	17,033	0.09	0.09	0.37
Nishat Power Limited	35,000	-	-	-	35,000	-	-	-	-	-
PAKGEN Power Limited	804,000	-	-	-	-	804,000	19,610	0.10	0.10	0.22
Saif Power Limited	570,000	-	-	-	-	570,000	9,502	0.05	0.05	0.15
The Hub Power Company Limited	8,591,708	-	-	-	55,000	8,536,708	627,704	3.18	3.21	0.66
	<b>18,043,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361,500</b>	<b>17,682,208</b>	<b>790,324</b>	<b>4.01</b>	<b>4.05</b>	
<b>Commercial Banks</b>										
Allied Bank Limited	2,337,101	-	-	-	136,000	2,201,101	149,675	0.76	0.77	0.19
Askari Bank Limited	1,300,000	-	-	-	-	1,300,000	29,497	0.15	0.15	0.10
Bank Al-Falah Limited	14,407,054	276,887	-	-	163,000	14,520,941	469,752	2.38	2.41	0.82
Bank Al-Habib Limited	9,085,517	127,401	-	-	-	9,212,918	637,073	3.23	3.26	0.83
Bank Of Punjab Limited	5,925,500	-	-	-	-	5,925,500	48,352	0.25	0.25	0.22
Faysal Bank Limited	5,746,038	4,059,500	-	-	-	9,805,538	258,082	1.31	1.32	0.65
Habib Bank Limited	11,384,529	331,400	-	-	883,500	10,832,429	1,184,526	6.01	6.07	0.74
Habib Metropolitan Bank Limited	926,000	-	-	-	-	926,000	40,281	0.20	0.21	0.09
MCB Bank Limited	731,922	-	-	-	434,060	297,862	44,885	0.23	0.23	0.03
United Bank Limited	7,282,682	927,243	-	-	27,500	8,182,425	970,108	4.92	4.97	0.67
	<b>59,126,343</b>	<b>5,722,431</b>	<b>-</b>	<b>-</b>	<b>1,644,060</b>	<b>63,204,714</b>	<b>3,832,231</b>	<b>19.44</b>	<b>19.64</b>	
<b>Insurance</b>										
Adamjee Insurance Company Limited	2,375,000	-	-	-	-	2,375,000	83,743	0.42	0.43	0.68
IGI Holdings Limited	321,100	-	-	-	-	321,100	52,959	0.27	0.27	0.23
TPL Insurance Limited	2,498,500	-	-	-	-	2,498,500	99,765	0.51	0.51	2.13
	<b>5,194,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,194,600</b>	<b>236,467</b>	<b>1.20</b>	<b>1.21</b>	
<b>Exchange Traded Funds</b>										
NBP Pakistan Growth Exchange Traded Fund	<b>4,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,900,000</b>	<b>51,597</b>	<b>0.26</b>	<b>0.26</b>	<b>86.88</b>
<b>Glass and Ceramics</b>										
Ghani Value Glass Limited	11,625	-	-	-	-	11,625	645	-	-	0.02
Shabbir Tiles and Ceramics Limited	9,261,500	791,500	-	-	-	10,053,000	306,415	1.55	1.57	4.20
Tariq Glass Industries Limited	4,405,375	-	-	-	185,600	4,219,775	428,096	2.17	2.19	3.06
	<b>13,678,500</b>	<b>791,500</b>	<b>-</b>	<b>-</b>	<b>185,600</b>	<b>14,284,400</b>	<b>735,156</b>	<b>3.72</b>	<b>3.76</b>	
<b>Cable and Electric Goods</b>										
Pak Elektron Limited	<b>3,405,000</b>	<b>214,000</b>	<b>-</b>	<b>-</b>	<b>490,000</b>	<b>3,129,000</b>	<b>86,204</b>	<b>0.44</b>	<b>0.44</b>	<b>0.63</b>
<b>Vanaspati &amp; Allied Industries</b>										
Unity Foods Limited	<b>1,373,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,373,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	<b>21,209,000</b>	<b>219,000</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>20,928,000</b>	<b>186,469</b>	<b>0.97</b>	<b>0.97</b>	<b>1.17</b>



Name of the Investee Company	As at 1 July 2021	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2021	Market value /carrying value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	( Number of shares )						(Rupees in '000)	(%)		
<b>Leather &amp; Tanneries</b>										
Service GlobalFootwear Limited	252,439	-	-	-	-	252,439	11,332	0.06	0.06	0.12
<b>Miscellaneous</b>										
Pakistan Aluminium Beverage Cans Limited	-	2,065,374	-	-	1,317,000	748,374	29,366	0.15	0.15	0.21
Tri-Pack Films Limited	-	46,600	-	-	-	46,600	9,227	0.05	0.05	0.12
	-	2,111,974	-	-	1,317,000	794,974	38,593	0.20	0.20	
<b>Total - 30 September 2021</b>	<b>280,898,034</b>	<b>29,637,588</b>	<b>793,743</b>	<b>-</b>	<b>18,385,078</b>	<b>292,944,287</b>	<b>19,129,149</b>	<b>97.05</b>	<b>97.96</b>	
Carrying value before fair value adjustment as at 30 September 2021							<u><u>20,325,846</u></u>			

**4.1.1** Investments include shares with market value of Rs. 206.831 million (June 30, 2021: Rs. 232.205 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 4.2 Market Treasury Bills

Issue date	Tenor	Face Value				Market value / Carrying value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2021	Purchases during the period	Sales / matured during the period	As at 30 September 2021			
					(Rupees in '000)		(%)	
27 August 2020	12 Months	-	120,000	120,000	-	-	-	-
25 March 2021	6 Months	-	25,000	25,000	-	-	-	-
22 April 2021	6 Months	-	400,000	-	400,000	398,382	2.03	2.04
20 May 2021	3 Months	-	1,115,000	1,115,000	-	-	-	-
03 June 2021	3 Months	-	75,000	75,000	-	-	-	-
02 July 2021	3 Months	-	620,000	620,000	-	-	-	-
<b>Total</b>		<b>-</b>	<b>2,355,000</b>	<b>1,955,000</b>	<b>400,000</b>	<b>398,382</b>	<b>2.03</b>	<b>2.04</b>
Carrying value before fair value adjustment as at 30 September 2021						<u><u>398,395</u></u>		

## 5 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 Stock Fund amounting to Rs. 215.84 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 Stock Fund by 1.03% 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 and commitments 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 4.12% (September 30, 2020: 4.90%) which includes 0.23% (September 30, 2020: 1.49%) 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 AND BALANCES WITH CONNECTED PERSONS**

**10.1** Connected persons include NBP Fund Management Limited being the Management Company (NAFA), 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 and NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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



10.4 The details of significant transactions and balances with connected persons during and at period end are as follows:

	Un-audited	
	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
<b>10.5 Details of the transactions with connected persons are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Management fee expense for the period	78,991	61,480
Sindh Sales Tax on remuneration of the Management Company	10,269	7,992
Accounting and operational expenses	9,828	4,099
Selling and marketing expenses	105,882	61,480
Sales load and others	705	4,227
ADC charges including Sindh Sales Tax	11	-
<b>Employees of the Management Company</b>		
Units issued / transferred In 729,875 units (September 30, 2020: 3,029,573 units)	11,653	41,449
Units redeemed / transferred out 689,421 units (September 30, 2020: 3,112,400 units)	11,084	43,094
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	5,531	4,351
Sales tax on remuneration	719	566
CDS Charges	184	276
<b>Taurus Securities Limited (Subsidiary of Parent Company)</b>		
Brokerage	276	1,150
<b>Humayun Bashir - Director</b>		
Units redeemed / transferred out Nil units (September 30, 2020: 1,362,944 units)	-	19,984
<b>Mr. Khalid Mehmood - Chief Financial Officer</b>		
Units Issued / Transferred in 970 units (September 30, 2020: 70,307 units)	16	1,000
Units redeemed / transferred out 68,972 units (September 30, 2020: Nil units)	1,116	-
<b>Dr. Amjad Waheed - Chief Executive Officer</b>		
Units Issued / Transferred in 64 units (September 30, 2020: Nil units)	1	-
Units redeemed / transferred out Nil units (September 30, 2020: 20,216 units)	-	271
<b>Haider Amjad</b>		
Units Issued / Transferred in 1,311 units (September 30, 2020: 5,118 units)	22	75
Units redeemed / transferred out 15 units (September 30, 2020: 5,244 units)	-	76
<b>Rohma Amjad</b>		
Units Issued / Transferred in 135 units (September 30, 2020: Nil units)	2	-
Units redeemed / transferred out Nil units (September 30, 2020: 5,014 units)	-	71
<b>National Clearing Company of Pakistan Limited</b>		
Units Issued / Transferred in Nil units (September 30, 2020: 674,386 units)	-	10,000
NCCPL charges	230	276



	Un-audited	
	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
<b>*Pakistan Stock Exchange Limited</b>		
Listing fee paid	-	25
<b>National Fullerton Asset Management Limited - Employees provident Fund</b>		
Units Issued / Transferred in 255,380 units (September 30, 2020: 200,514 units)	4,180	2,805
Units redeemed / transferred out 85,979 units (September 30, 2020: 17,069 units)	1,325	238
<b>Portfolios managed by the Management Company</b>		
Units Issued / Transferred in 59,928,639 units (September 30, 2020: 2,615,316 units)	975,238	36,279
Units redeemed / transferred out 53,083,851 units (September 30, 2020: 15,707,053 units)	864,914	207,373
<b>Bank Islami Pakistan Limited (Common Directorship with the Management Company)</b>		
Bank Profit	11	7
<b>Fauji Fertilizer Company Limited (Common Directorship with the Management Company)</b>		
Nil shares purchased (September 30, 2020: 740,000 shares)	-	83,106
181,400 shares sold (September 30, 2020: 120,800 shares)	18,891	13,183
Dividend income	8,865	13,582
<b>Gul Ahmed Textile Mills Limited (Common Directorship with the Management Company)</b>		
1,261,000 shares purchased (September 30, 2020: 110,000 shares)	69,317	4,268
230,000 shares sold (September 30, 2020: 2,494,000 shares)	12,163	83,899
<b>*The Hub Power Company Limited (Common Directorship with the Management Company)</b>		
Nil shares purchased (September 30, 2020: 250,000 shares)	-	18,276
Nil shares sold (September 30, 2020: 450,000 shares)	-	36,149
<b>International Steel Limited (Common Directorship with the Management Company)</b>		
340,000 shares purchased (September 30, 2020: Nil shares)	34,513	-
Nil shares sold (September 30, 2020: 1,807,500 shares)	-	119,872
Dividend income	12,160	-
	<b>Un-audited</b>	<b>Audited</b>
	<b>September 30,</b>	<b>June 30,</b>
	<b>2021</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>10.6 Amounts outstanding as at period / year end</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Units held: 6,695,381 units (June 30, 2021: 6,695,381 units)	102,633	107,416
Management remuneration payable	25,032	26,273
Sindh Sales tax payable	3,252	3,413
Sales load payable	1,732	1,027
Selling and marketing expenses	105,882	101,170
Allocation of expenses related to registrar services, accounting, operation and valuation services	9,828	7,588
ADC charges including Sindh Sales Tax	47	36
<b>National Bank of Pakistan - Parent of management company</b>		
Units held: 31,347,445 units (June 30, 2021: 31,347,445 units)	480,525	502,916
Bank Balance	1,595	1,470



	Un-audited September 30, 2021	Audited June 30, 2021
	(Rupees in '000)	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration Payable	1,755	1,838
Sindh Sales Tax on Trustee remuneration	228	239
CDS charges	129	45
Security deposit	100	100
<b>National Clearing Company Of Pakistan Limited - Common Directorship</b>		
Units held: 4,866,841 (June 30, 2021: 4,866,840 units)	74,604	78,080
NCCPL charges payable	89	64
Security deposit	2,500	2,500
<b>Employees of the Management Company</b>		
Units held: 1,284,698 (June 30, 2021: 1,457,451 units)	19,693	23,382
<b>National Fullerton Asset Management Ltd- Emp. Provident Fund - Retirement benefit fund of Management Company</b>		
Units held: 809,740 (June 30, 2021: 640,339 units)	12,413	10,273
<b>Dr. Amjad Waheed - Chief Executive Officer</b>		
Units held: 159,599 (June 30, 2021: 159,536 units)	2,446	2,559
<b>Mr. Khalid Mehmood - Chief Financial Officer</b>		
Units held: 101,201 (June 30, 2021: 169,203 units)	1,551	2,715
<b>Mr. Humayun Bashir - Director</b>		
Units held: 2,163,258 (June 30, 2021: 2,163,257 units)	33,161	34,706
<b>Mr. Haider Amjad - Shareholder of Management Company</b>		
Units held: 51,448 (June 30, 2021: 50,152 units)	789	805
<b>Ms. Rohma Amjad - Shareholder of Management Company</b>		
Units held: 1,063 (June 30, 2021: 927 units)	16	15
<b>NBP Employees Pension Fund - Retirement benefit fund of Parent Company</b>		
Units held: 63,579,353 (June 30, 2021: 63,579,353 units)	974,608	1,020,023
<b>Gul Ahmed Textile Mills Limited - Common directorship</b>		
Shares held: 5,335,160 (June 30, 2021: 4,304,160 shares)	292,420	218,350
<b>Fauji Fertilizer Company Limited - Common directorship</b>		
Shares held: 3,229,652 (June 30, 2021: 3,411,052 shares)	329,618	361,913
<b>The Hub Power Company Limited - Common directorship</b>		
Shares held: Nil (June 30, 2021: 8,591,708 shares)	-	684,501
<b>International Steels Limited - Common directorship</b>		
Shares held: 1,737,199 (June 30, 2021: 1,397,199 shares)	132,392	130,512
Dividend receivable	12,160	-
<b>NBP Pakistan Growth Exchange Traded Fund - Fund under Management Company</b>		
Units held: 4,900,000 (June 30, 2021: 4,900,000 units)	51,597	54,194
<b>Taurus Securities Limited - Subsidiary of parent company</b>		
Brokerage payable	139	162



	Un-audited September 30, 2021	Audited June 30, 2021
	(Rupees in '000)	
<b>Khushali Bank Limited - Common directorship **</b>		
Bank balance	12	12
Profit receivable on bank balance	1	1
<b>Telenor Microfinance Bank Limited - Common directorship **</b>		
Bank balance	10	9
Profit receivable on bank balance	2	2
<b>Bank Islami Pakistan Limited - Common directorship</b>		
Bank balance	1,956	4,511
Profit receivable on bank balance	2	1
<b>Portfolios managed by the Management Company</b>		
Units held: 72,489,242 (June 30, 2021: 14,836,381 units)	1,111,187	238,025
<b>Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund</b>		
<b>Sindh Province Pension Fund</b>		
Units held: 151,377,843 (June 30, 2021: 151,377,843 units)	2,320,471	2,428,600

\* 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.

## 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 rupees.

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.

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

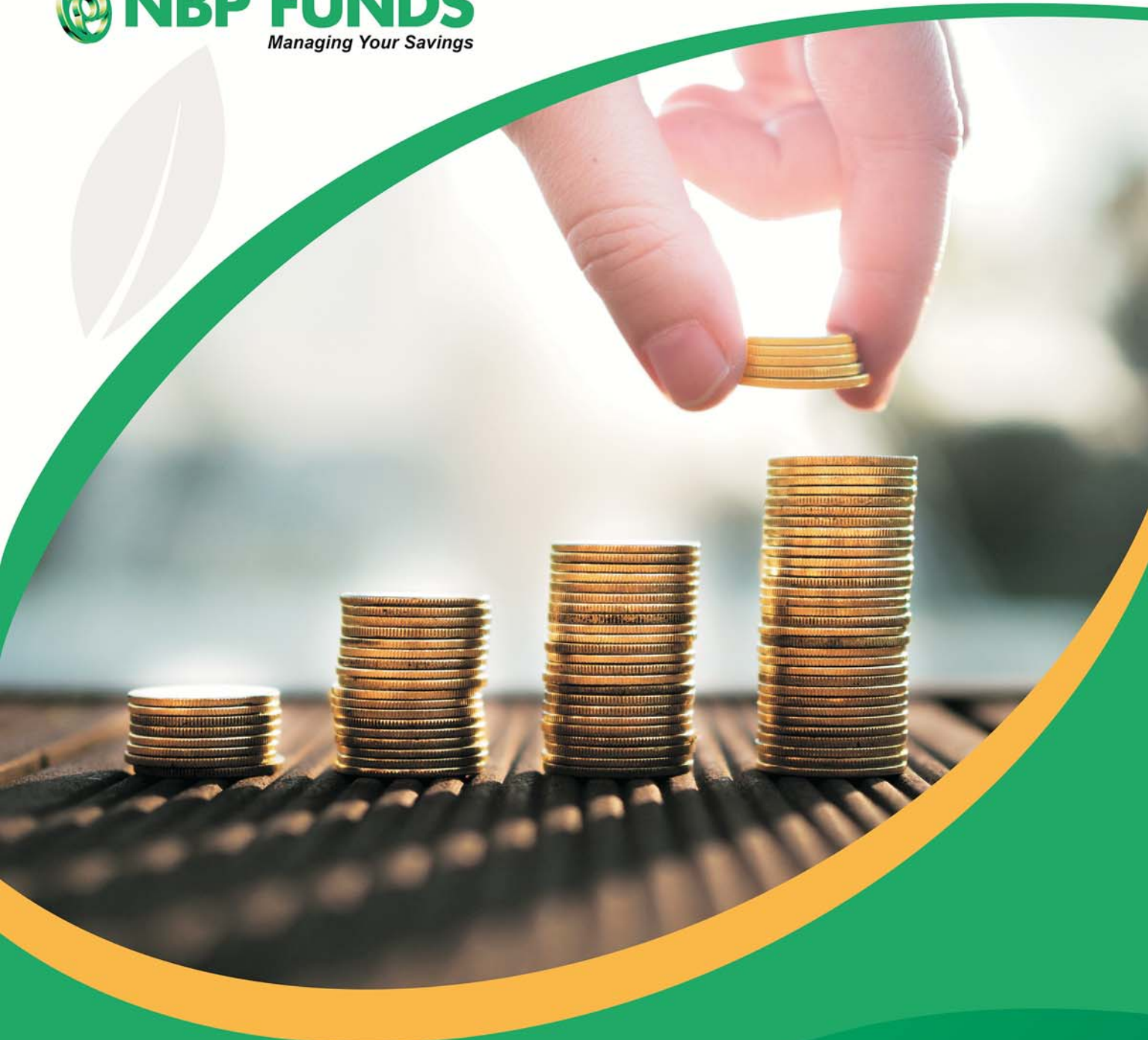
**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpfunds.com](mailto:info@nbpfunds.com)

**Website:** [www.nbpfunds.com](http://www.nbpfunds.com)

 /nbpfunds



## **NBP SARMAYA IZAFI 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

<b>FUND'S INFORMATION</b>	<b>03</b>
<b>DIRECTORS' REPORT</b>	<b>05</b>
<b>CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES</b>	<b>11</b>
<b>CONDENSED INTERIM INCOME STATEMENT</b>	<b>12</b>
<b>CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME</b>	<b>13</b>
<b>CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND</b>	<b>14</b>
<b>CONDENSED INTERIM CASH FLOW STATEMENT</b>	<b>15</b>
<b>NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS</b>	<b>16</b>



## 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

MCB Bank Limited	MCB Islamic Bank Limited
JS Bank Limited	Faysal Bank Limited
Meezan Bank Limited	Soneri Bank Limited
Habib Bank Limited	Dubai Islamic Bank Limited
United Bank Limited	Telenor Microfinance Bank Limited
Bank Alfalah Limited	Bank Islami Pakistan Limited
Bank Al Habib Limited	U Microfinance Bank Limited
Askari Bank Limited	The Bank of Punjab
Habib Metropolitan Bank Limited	First Microfinance Bank Limited
Allied Bank Limited	
National Bank of Pakistan	
Zarai Taraqiati Bank Limited	



## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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

## **Lahore Office:**

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

## **Islamabad Office:**

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

## **Peshawar Office:**

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

## **Multan Office:**

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



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed interim financial statements of **NBP Sarmaya Izafa Fund** (NSIF) 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.

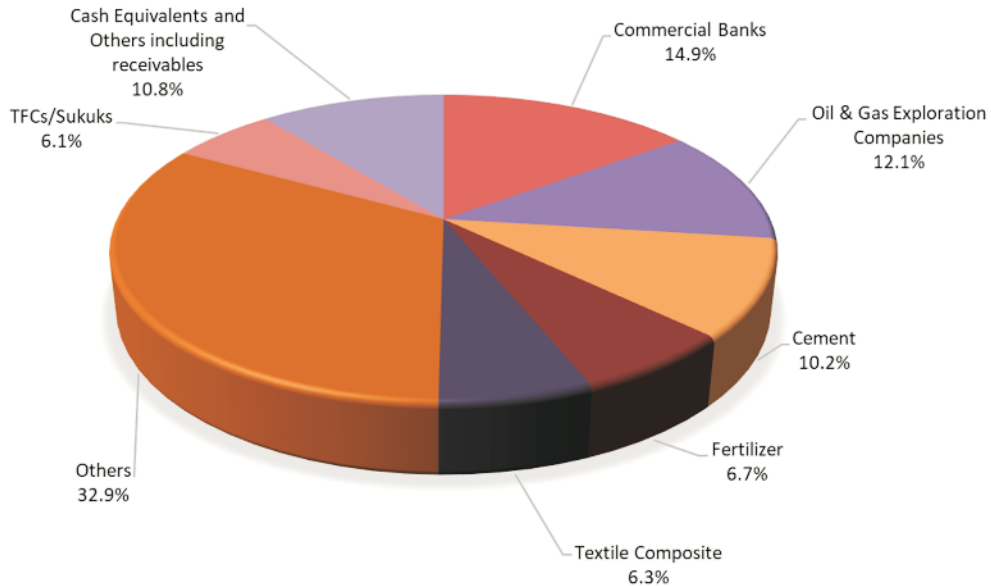
Looking at the sector wise performance of the market, Automobile Assemblers and Accessories, Cements, Engineering, Insurance, Oil & Gas Exploration and Marketing Companies, Paper & Board, Refineries, and Transport sectors underperformed the market, while Chemicals, Commercial Banks, Fertilizers, Food & 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.

During 1QFY22, lackluster activity was witnessed in the corporate debt market as there was no fresh issuance of corporate debt securities. In the secondary market, the trading activity remained thin with the trade value of Rs. 2.1 billion in 1QFY22 versus Rs. 6.7 billion in 1QFY21. 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."

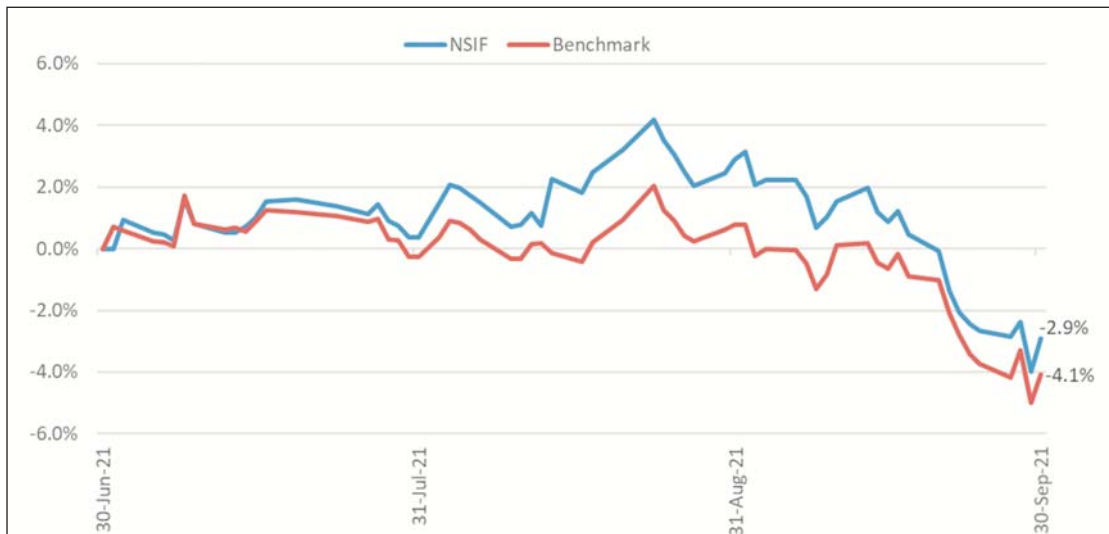
During the period under review, sovereign yields responded to the reversal of monetary easing cycle as T-Bills yields increased by 31 bps, 46 bps, and 92 bps for 3-month, 6-month, and 12-month tenures respectively owing to the increase in the Policy Rate. SBP held seven T-Bills auctions during the period, 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 Sarmaya Izafa Fund has decreased from Rs. 1,454 million to Rs.1,247 million during the period, i.e., a decrease of 14%. During the period, the unit price of NBP Sarmaya Izafa Fund has decreased from Rs. 16.8895 on June 30, 2021 to Rs. 16.3979 on September 30, 2021, thus showing a decrease of 2.9%. The Benchmark decrease during the same period was 4.1%. Thus, the Fund has outperformed its Benchmark by 1.2% during the period under review. Since inception the NAV of the Fund has increased from Rs. 4.2952 (Ex-Div) on August 20, 2010 to Rs. 16.3979 on September 30, 2021, thus showing an increase of 281.8%. During the said period, the Benchmark increased by 163.9%, translating into outperformance of 117.9%. 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 shall not be repeated in the future.

NBP Sarmaya Izafa Fund has incurred a loss of Rs. 18.33 million during the period. After incurring total expenses of Rs. 14.14 million, the total loss is Rs. 32.47 million. The asset allocation of the Fund as on September 30, 2021 is as follows:



## NSIF 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 منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے لئے NBP سرمایہ اضافہ فنڈ (NSIF) 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 ٹیچ مارک KSE-100 انڈیکس میں 5.2 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 مہینے کے دوران، مارکیٹ KSE 100 انڈیکس میں 5.3 فیصد کمی کے ساتھ شدید فروختی دباؤ میں آگئی۔

لسٹڈ کارپوریشن 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 ہونیک بارے میں پریشان دکھائی دیے۔ سرمایہ کاروں کی ناراضگی میں مزید اضافہ کیا جاتے 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۔ کچھ 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 چرچوں کے مطابق، انڈیکس میں مسلسل کمی کے بعد مارجن کا لا وصول کرنے والے ریٹیل سرمایہ کاروں کی لیورجڈ پوزیشنز نے سہ ماہی کے اختتام پر ایکویٹیز کی فروخت میں بھی اضافہ کر دیا۔ دوسری طرف، مارکیٹ نے بیرونی اکاؤنٹ کے مجاز 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 ایکویٹیشن کی مد میں آئی ایم ایف سے 2.7 بلین امریکی ڈالر کی وصولی ہوئی۔

مارکیٹ کی سیکلر وائز 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 اتیر کارکردگی کا مظاہرہ کیا جبکہ کیمیکلز، کمرشل بینک، کھاد، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹراکس، پاور جنریشن اور ڈسٹری بیوٹن، جیکنا لوجی 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۔

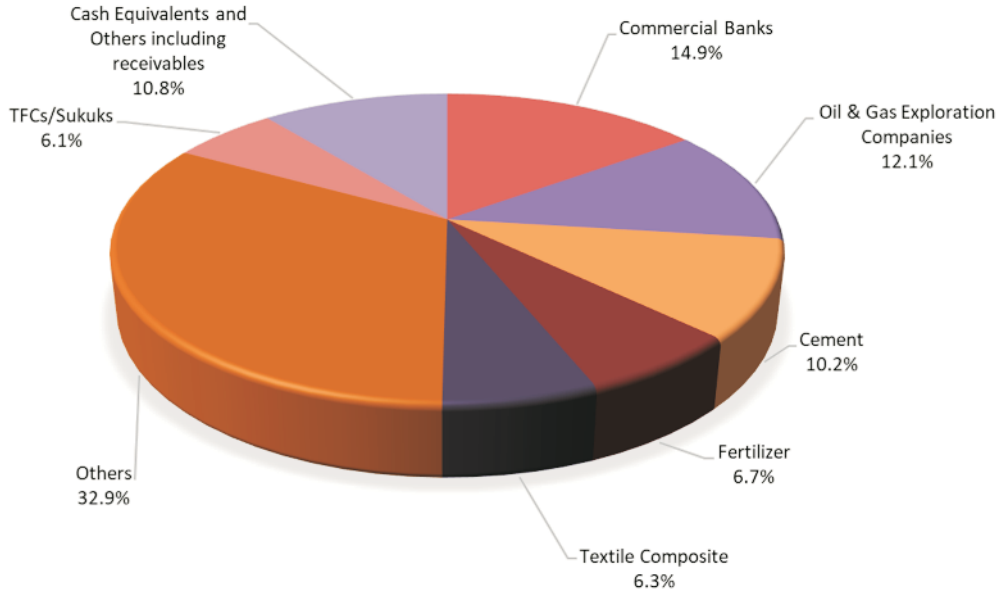
مالی سال 22 کی پہلی سہ ماہی کے دوران، کارپوریٹ ڈیٹ مارکیٹ میں ناقص سرگرمی دیکھی گئی کیونکہ کارپوریٹ ڈیٹ سیکورٹیز کا کوئی نیا اجراء نہیں ہوا۔ ثانوی منڈی میں تجارتی سرگرمی معمولی طور پر کم رہی جس کی تجارتی قدر مالیاتی سال 2021ء کی پہلی سہ ماہی میں 6.7 بلین روپے کے مقابلے میں مالیاتی سال 2022ء کی پہلی سہ ماہی میں 2.1 بلین روپے رہی۔ CPI کی طرف سے پیمائش کردہ افراط زر گزشتہ ماہ میں 1.5% 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 اضافے 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 اضافے 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 بتدریج کمی آئے گی۔"

زیر جائزہ مدت کے دوران، شرح منافع نے آسان مالیاتی سائیکل کی واپسی کے نتائج دئیے 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 پی پی ایس، 46 پی پی ایس، اور 92 پی 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۔

موجودہ مدت کے دوران NBP سرمایہ اضافہ فنڈ کا سائز 1,454 ملین روپے سے کم ہو کر 1,247 ملین روپے ہو گیا ہے یعنی 14% کی کمی ہوئی۔ اس مدت کے دوران، NBP سرمایہ اضافہ فنڈ کی یونٹ قیمت 30 جون 2021 کو 16.8895 روپے سے کم ہو کر 30 ستمبر 2021 کو 16.3979 روپے ہو گئی، جو 2.9% کی کمی ظاہر کر رہی ہے۔ اسی مدت کے دوران شیئر مارک میں کمی 4.1% تھی۔ چنانچہ زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے شیئر مارک سے 1.2% بہتر رہی۔ اپنے قیام کے بعد 20 اگست 2010 سے فنڈ کا NAV 4.2952 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2021 کو 16.3979 روپے ہو گئی، چنانچہ 281.8% کا اضافہ ہوا۔ اس مدت کے دوران شیئر مارک 163.9% سے بڑھا۔ لہذا فنڈ نے 117.9% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد ناقص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ ریورس کردی گئی۔ اس پرویزنگ 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۔

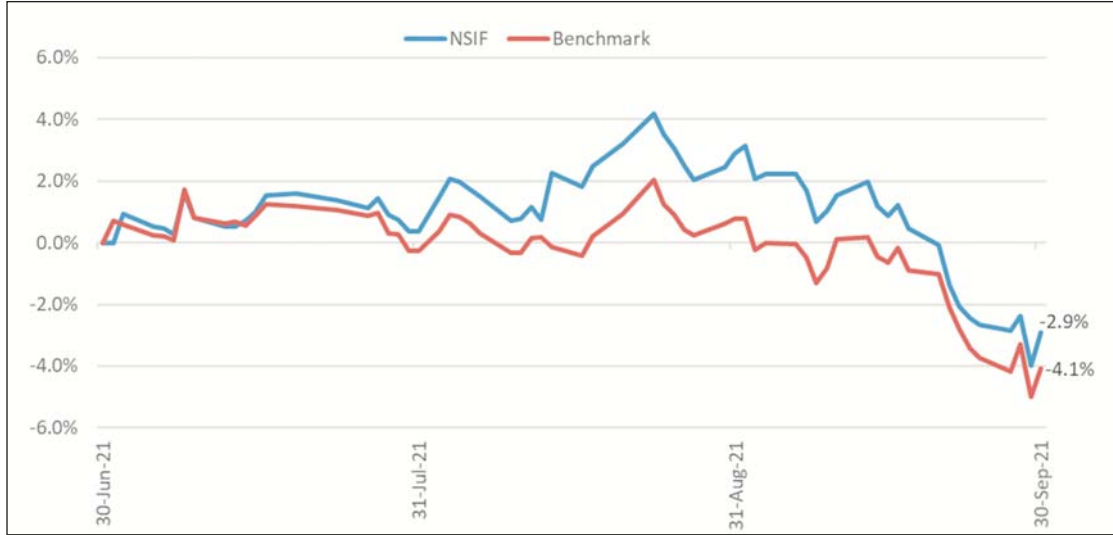
NBP سرمایہ اضافہ فنڈ کو موجودہ مدت کے دوران 18.33 ملین روپے کا نقصان ہوا ہے۔ 14.14 ملین روپے کے اخراجات منہا کرنے کے بعد مجموعی نقصان 32.47 ملین روپے ہے۔

30 ستمبر 2021 کو NBP سرمایہ اضافہ فنڈ کی ایسٹ ایلوکییشن درج ذیل ہے:





NSIF کی کارکردگی بمقابلہ بیچ مارک (اپنے قیام سے)



## 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 ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے تخلص 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 میجمنٹ 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)	
<b>ASSETS</b>		
Bank Balances	156,470	291,618
Investments	1,186,728	1,209,780
Mark-up accrued and dividend receivable	7,414	1,177
Receivable against transfer of units	4,993	8,908
Advance against IPO subscription	-	8,275
Deposits, prepayments and other receivables	3,369	3,415
<b>Total assets</b>	<b>1,358,974</b>	<b>1,523,173</b>
<b>LIABILITIES</b>		
Payable to NBP Fund Management Limited - Management Company	28,683	29,617
Payable to Central Depository Company of Pakistan Limited - Trustee	218	230
Payable to the Securities and Exchange Commission of Pakistan	70	287
Payable against redemption of units	7,364	302
Payable against purchase of investments	74,711	5,955
Accrued expenses and other liabilities	1,389	32,735
<b>Total liabilities</b>	<b>112,435</b>	<b>69,126</b>
<b>NET ASSETS</b>	<b>1,246,539</b>	<b>1,454,047</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>	<b>1,246,539</b>	<b>1,454,047</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	
	----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>76,018,021</b>	<b>86,091,518</b>
	Rupees	
<b>NET ASSET VALUE PER UNIT</b>	<b>16.3979</b>	<b>16.8895</b>

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)	
<b>INCOME</b>		
(Loss) / Gain on sale of investments - net	(2,375)	28,166
Return / mark-up on:		
- bank balances and term deposits	1,688	2,986
- debt securities	1,727	1,209
- government securities	1,867	8,486
Dividend income	16,883	3,072
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(63,671)	100,087
<b>Total (loss) / Income</b>	<b>(43,881)</b>	<b>144,006</b>
<b>EXPENSES</b>		
Remuneration of NBP Fund Management Limited - Management Company	5,229	5,135
Sindh Sales Tax on remuneration of the Management Company	680	668
Reimbursement of operational expenses to the Management Company	647	343
Selling and marketing expenses	6,170	5,135
Remuneration of Central Depository Company of Pakistan Limited - Trustee	601	594
Sindh Sales Tax on remuneration of Trustee	78	77
Annual fee - Securities and Exchange Commission of Pakistan	70	68
Auditors' remuneration	235	198
Annual listing fee	7	7
Printing charges	25	9
Professional charges	45	18
Securities transaction cost	146	367
Fund rating fee	67	51
Settlement and bank charges	135	21
<b>Total Expenses</b>	<b>14,135</b>	<b>12,691</b>
<b>Net (loss) / income from operating activities</b>	<b>(58,016)</b>	<b>131,315</b>
Reversal / (Provision) for Sindh Workers' Welfare Fund	25,552	(2,626)
<b>Net (loss) / income for the period before taxation</b>	<b>(32,464)</b>	<b>128,689</b>
Taxation	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(32,464)</b>	<b>128,689</b>
<b>Allocation of Net income for the period:</b>		
Net income for the period after taxation	-	128,689
Income already paid on units redeemed	-	(14,688)
	-	114,001
<b>Accounting income available for distribution:</b>		
- Including capital gain	-	113,443
- Excluding capital gain	-	558
	-	114,001

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 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 (loss) /income for the period after taxation	(32,464)	128,689
Other comprehensive income / (loss) for the period	-	-
<b>Total comprehensive (Loss) / income for the period</b>	<b>(32,464)</b>	<b>128,689</b>

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 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		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	743,335	710,712	1,454,047	689,515	568,927	1,258,442
Issuance of 5,616,680 units (2020: 13,236,281 units)						
- Capital value	94,863	-	94,863	193,570	-	193,570
- Element of loss	562	-	562	18,348	-	18,348
Total proceeds on issuance of units	95,425	-	95,425	211,918	-	211,918
Redemption of 15,690,177 units (2020: 13,988,012 units)						
- Capital value	(264,999)	-	(264,999)	(204,563)	-	(204,563)
- Element of income	(5,470)	-	(5,470)	(4,541)	(14,688)	(19,229)
Total payments on redemption of units	(270,469)	-	(270,469)	(209,104)	(14,688)	(223,792)
Total comprehensive (loss) / income for the period	-	(32,464)	(32,464)	-	128,689	128,689
<b>Net assets at end of the period</b>	<b>568,291</b>	<b>678,248</b>	<b>1,246,539</b>	<b>692,329</b>	<b>682,928</b>	<b>1,375,257</b>
Undistributed income brought forward:						
- Realised		532,700			560,107	
- Unrealised		178,012			8,820	
		710,712			568,927	
Accounting income available for distribution						
- Relating to capital gain		-			113,443	
- Excluding capital gain		-			558	
		-			114,001	
Net (loss) / income for the period after taxation		(32,464)			-	
<b>Undistributed income carried forward</b>		678,248			682,928	
Undistributed income carried forward:						
- Realised		741,919			582,841	
- Unrealised		(63,671)			100,087	
		678,248			682,928	
Net assets value per unit at beginning of the period			16.8895			14.6242
Net assets value per unit at end of the period			16.3979			16.1226

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	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(32,464)	128,689
<b>Adjustments for non-cash charges and other items:</b>		
Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss'	<u>63,671</u>	<u>(100,087)</u>
	31,207	28,602
<b>(Increase) / decrease in assets</b>		
Investments	(40,619)	45,000
Receivable against sale of investments	-	2,563
Dividend and profit receivable	(6,237)	(1,685)
Deposits, prepayments and other receivable	8,321	31
	(38,535)	45,909
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(934)	(721)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(12)	13
Payable to the Securities and Exchange Commission of Pakistan	(217)	(207)
Accrued expenses and other liabilities	37,411	(6,002)
	36,248	(6,917)
<b>Net cash generated from operating activities</b>	<u>28,920</u>	<u>67,594</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	99,340	220,317
Payments on redemption of units	(263,407)	(236,469)
<b>Net cash (used in) from financing activities</b>	(164,067)	(16,152)
<b>Net (decrease) / increase in cash and cash equivalents during period</b>	<u>(135,148)</u>	<u>51,442</u>
Cash and cash equivalents at the beginning of the period	291,618	619,145
<b>Cash and cash equivalents at the end of the period</b>	<u>156,470</u>	<u>670,587</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 FOR THE QUARTER ENDED SEPTEMBER 30, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules through a certificate of registration issued by 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 categorized as "asset allocation 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 investment objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned performance ranking of "4 star" to the Fund.

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

### 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) As at September 30, 2021	(Audited) As at June 30, 2021
	Note	(Rupees in '000)	
<b>Financial assets at fair value through profit or loss</b>			
Listed equity securities	4.1	1,035,794	1,133,695
Sukuks	4.2	76,238	76,085
Government Securities	4.3	74,697	-
		<u>1,186,728</u>	<u>1,209,780</u>



## 4.1 Listed equity securities

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

Name of the investee company and sector	Number of shares					Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Bonus / Right issue	Sold during the period	As at September 30, 2021		Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee
(Rupees in '000') ----- % -----									
<b>OIL AND GAS MARKETING COMPANIES</b>									
Attock Petroleum Limited	22,500	-	-	-	22,500	6,525	0.52	0.55	0.02
Hascol Petroleum Limited	1,861	-	-	-	1,861	12	0.00	0.00	0.00
Pakistan State Oil Company Limited	168,708	-	-	-	168,708	33,909	2.72	2.86	0.04
Sui Northern Gas Pipelines Limited	29,700	-	-	13,000	16,700	760	0.06	0.06	0.06
							<b>3.31</b>	<b>3.47</b>	
<b>OIL AND GAS EXPLORATION COMPANIES</b>									
Mari Petroleum Company Limited	34,110	-	-	-	34,110	52,986	4.25	4.46	0.03
Oil and Gas Development Company Limited	511,800	-	-	-	511,800	42,889	3.44	3.61	0.01
Pakistan Oilfields Limited	37,620	-	-	2,000	35,620	13,370	1.07	1.13	0.03
Pakistan Petroleum Limited	546,369	9,600	1	-	555,970	41,648	3.34	3.51	0.02
							<b>12.10</b>	<b>12.71</b>	
<b>FERTILIZER</b>									
Engro Corporation Limited	141,470	-	-	-	141,470	39,576	3.17	3.33	0.03
Engro Fertilizers Limited	19,000	-	-	19,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	473,500	-	-	-	473,500	10,654	0.85	0.90	0.05
Fauji Fertilizer Company Limited	306,800	13,500	-	-	320,300	32,690	2.62	2.75	0.05
							<b>6.65</b>	<b>6.99</b>	
<b>CHEMICALS</b>									
Engro Polymer and Chemicals Limited	755,857	13,500	-	-	769,357	42,368	3.40	3.57	0.11
Lotte Chemical Pakistan Limited	965,000	46,500	-	-	1,011,500	14,151	1.14	1.19	0.11
							<b>4.53</b>	<b>4.76</b>	
<b>LEATHER &amp; TANNERIES</b>									
Service Global Footwear Limited *	63,806	-	-	-	63,806	2,864	0.23	0.24	0.11
Service Industries Limited *	16,400	-	-	-	16,400	7,314	0.59	0.62	0.11
							<b>0.82</b>	<b>0.86</b>	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>									
Shezan International Limited *	12,500	-	-	-	12,500	3,991	0.32	0.34	0.11
Unity Foods Limited *	140,500	-	-	140,500	-	-	-	-	-
							<b>0.32</b>	<b>0.34</b>	
<b>ENGINEERING</b>									
International Steels Limited	26,899	-	-	-	26,899	2,050	0.16	0.17	0.02
Mughal Iron and Steel Industries Limited	279,560	-	-	-	279,560	27,291	2.19	2.30	0.01
Agha Steel Industries Limited	352,500	-	-	152,000	200,500	5,512	0.44	0.46	0.01
Aisha Steel Mills Limited	55,000	-	-	-	55,000	1,145	0.09	0.10	0.01
Amreli Steels Limited	161,500	-	-	-	161,500	6,323	0.51	0.53	0.01
International Industries Limited *	4,100	-	-	-	4,100	684	0.05	0.06	0.01
							<b>3.45</b>	<b>3.62</b>	
<b>CEMENT</b>									
D.G. Khan Cement Company Limited	127,000	-	-	46,500	80,500	7,118	0.57	0.60	0.00
Lucky Cement Limited	90,800	-	-	2,145	88,655	64,089	5.14	5.40	0.02
Kohat Cement Limited	176,950	-	-	-	176,950	30,425	2.44	2.56	0.08
Fauji Cement Company Limited	754,500	204,000	-	-	958,500	17,205	1.38	1.45	0.07
Attock Cement (Pakistan) Limited	-	5,000	-	-	5,000	704	0.06	0.06	0.01
Maple Leaf Cement Factory Limited	218,000	21,400	-	23,000	216,400	7,617	0.61	0.64	0.01
Cherat Cement Company Limited	38,300	-	-	38,300	-	-	-	-	-
							<b>10.20</b>	<b>10.72</b>	
<b>TEXTILE COMPOSITE</b>									
Nishat Mills Limited	235,000	-	-	-	235,000	21,352	1.71	1.80	0.07
Gul Ahmed Textile Mills Limited	268,272	-	-	-	268,272	14,704	1.18	1.24	0.14
Nishat Chunian Limited	254,500	-	-	-	254,500	12,603	1.01	1.06	0.08
Kohinoor Textile Mills Limited	255,194	-	-	-	255,194	17,723	1.42	1.49	0.08
Crescent Textile Mills Limited *	1,500	-	375	-	1,875	44	0.00	0.00	-
Interloop Limited	192,677	-	-	20,000	172,677	12,289	0.99	1.04	0.02
							<b>6.31</b>	<b>6.63</b>	



Name of the investee company and sector	Number of shares					Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Bonus / Right issue	Sold during the period	As at September 30, 2021		Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee
(Rupees in '000') ----- % -----									
<b>POWER GENERATION AND DISTRIBUTION</b>									
The Hub Power Company Limited	620,079	-	-	-	620,079	45,594	3.66	3.84	0.06
Saif Power Limited	93,000	-	-	-	93,000	1,550	0.12	0.13	0.02
K-Electric Limited	-	-	-	-	-	-	-	-	0.00
Lalpir Power Limited	336,000	-	-	-	336,000	5,272	0.42	0.44	0.23
PAKGEN Power Limited	200,500	-	-	-	200,500	4,890	0.39	0.41	0.07
							<b>4.60</b>	<b>4.83</b>	
<b>COMMERCIAL BANKS</b>									
Allied Bank Limited	37,200	-	-	-	37,200	2,530	0.20	0.21	0.03
Bank Al-Falah Limited	1,051,950	-	-	-	1,051,950	34,031	2.73	2.87	0.06
Bank Al-Habib Limited	468,650	-	-	-	468,650	32,407	2.60	2.73	0.05
Bank Of Punjab Limited	-	-	-	-	-	-	-	-	-
MCB Bank Limited	92,800	-	-	6,000	86,800	13,080	1.05	1.10	0.01
United Bank Limited	284,503	33,000	-	-	317,503	37,643	3.02	3.17	0.03
Faysal Bank Limited	251,145	104,000	-	-	355,145	9,347	0.75	0.79	0.02
Habib Bank Limited	483,167	-	-	40,500	442,667	48,406	3.88	4.08	0.02
Habib Metropolitan Bank Limited	62,000	-	-	-	62,000	2,697	0.22	0.23	0.02
Meezan Bank Limited	35,500	-	5,325	-	40,825	5,713	0.46	0.48	0.02
National Bank Of Pakistan	-	-	-	-	-	-	-	-	0.00
							<b>14.91</b>	<b>15.66</b>	
<b>PAPER AND BOARD</b>									
Century Paper and Board Mills Limited	103,900	-	12,285	31,500	84,685	6,345	0.51	0.53	0.17
Cherat Packaging Limited	-	-	1	-	1	0	0.00	0.00	-
Roshan Packages Limited	95,000	-	-	-	95,000	2,366	0.19	0.20	-
Packages Limited	6,200	-	-	-	6,200	2,910	0.23	0.25	0.23
							<b>0.93</b>	<b>0.98</b>	
<b>AUTOMOBILE ASSEMBLER</b>									
Indus Motor Company Limited	969	-	-	-	969	1,132	0.09	0.10	0.12
Millat Tractors Limited	23,625	-	-	-	23,625	25,354	2.03	2.14	0.22
Pak Suzuki Motors Company Limited *	26,500	-	-	26,500	-	-	-	-	0.02
Honda Atlas Cars (Pakistan) Limited	3,800	8,500	-	-	12,300	3,241	0.26	0.27	0.09
							<b>2.38</b>	<b>2.50</b>	
<b>CABLE &amp; ELECTRICAL GOODS</b>									
Pak Elektron Limited	284,000	-	-	-	284,000	7,824	0.63	0.66	0.02
<b>TRANSPORT</b>									
Pakistan International Bulk Terminal Limited	71,000	-	-	-	71,000	633	0.05	0.05	0.02
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>									
Baluchistan Wheels Limited	7,500	-	-	-	7,500	576	0.05	0.05	0.06
Panther Tyres Limited	58,500	-	11,700	-	70,200	3,472	0.28	0.29	0.02
							<b>0.28</b>	<b>0.29</b>	
<b>TECHNOLOGY AND COMMUNICATION</b>									
Systems Limited	67,925	-	-	-	67,925	49,416	3.96	4.16	0.07
Avanceon Limited	21,000	-	-	-	21,000	2,591	0.21	0.22	0.18
TPL Trakker Limited	323,500	-	-	227,500	96,000	1,638	0.13	0.14	0.12
							<b>4.30</b>	<b>4.52</b>	
<b>GLASS AND CERAMICS</b>									
Tariq Glass Industries Limited	167,125	-	-	-	167,125	16,955	1.36	1.43	0.23
Shabbir Tiles and Ceramics Limited	734,500	25,000	-	-	759,500	23,150	1.86	1.95	0.02
							<b>3.22</b>	<b>3.38</b>	
<b>PHARMACEUTICALS</b>									
The Searle Company Limited	62,173	5,500	-	6,300	61,373	12,367	0.99	1.04	0.11
Highnoon Laboratories Limited	9,079	-	-	-	9,079	5,626	0.45	0.47	0.13
Citi Pharma Ltd.	-	203,368	-	29,000	174,368	7,833	0.63	0.66	0.02
Glaxo SmithKline Healthcare Pakistan Limited	3,500	-	-	1,500	2,000	510	0.04	0.04	0.02
IBL HealthCare Limited	27,500	-	-	7,500	20,000	1,806	0.14	0.15	0.02
AGP Limited	105,000	4,500	-	75,900	33,600	3,857	0.31	0.33	0.06
							<b>2.57</b>	<b>2.70</b>	



Name of the investee company and sector	Number of shares					Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Bonus / Right issue	Sold during the period	As at September 30, 2021		Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee
(Rupees in '000') ----- % -----									
<b>SYNTHETIC PRODUCTS</b>									
Synthetic Products Enterprises Limited	28,080	-	-	-	28,080	1,123	0.09	0.09	0.03
<b>INSURANCE PRODUCTS</b>									
Adanjee Insurance Company Limited	121,000	-	-	-	121,000	4,266	0.34	0.36	0.04
IGI Holdings Limited	50,000	-	-	-	50,000	8,247	0.66	0.69	0.04
							1.00	1.05	
<b>MISCELLANEOUS</b>									
Pakistan Aluminium Beverage Cans Limited	-	142,688	-	20,000	122,688	4,814	0.39	0.41	0.04
<b>Total as at September 30, 2021</b>	<b>14,157,623</b>	<b>840,056</b>	<b>29,687</b>	<b>928,645</b>	<b>14,098,721</b>	<b>1,035,794</b>	<b>83.05</b>		

Carrying value as at September 30, 2021

1,099,615

## 4.2

### Sukuks

Name of the investee company	Tenor	As at July 1, 2021	Purchases during the period	Matured/Sold during the period	As at September 30, 2021	Market Value As at September 30, 2021	Market value as a % of net assets of the Fund	Market value as a % of total investments
-----No. of Units-----						(Rupees in '000)	----- Percentage % -----	
The Hub Power Company Limited (traded) (related party) (Face value of Rs. 100,000 per	4 Years	500	-	-	500	51,012	4.09	4.30
Mughal Iron & Steel Industries Limited Sukuk Certificates - I (Face value of Rs. 1,000,000 per certificate)	5 Years	25	-	-	25	25,226	2.02	2.13
		<b>525</b>	<b>-</b>	<b>-</b>	<b>525</b>	<b>76,238</b>	<b>6.12</b>	<b>6.42</b>

Carrying Value as at September 30, 2021

76,086

## 4.3

### Government Securities

#### Market Treasury Bills

Issue date	Maturity date	Tenor	Face value				Investment as a percentage of		
			As at July 01, 2021	Purchases during the year	Sold / matured during the year	As at September 30, 2021	Market value as at September 30, 2021	Net Assets	Total investments
Rupees in 000' ----- % -----									
May 20, 2021	August 12, 2021	3 months	-	180,000	180,000	-	-	-	-
June 3, 2021	August 26, 2021	3 months	-	55,000	55,000	-	-	-	-
July 2, 2021	September 23, 2021	3 months	-	120,000	120,000	-	-	-	-
April 22, 2021	October 21, 2021	6 months	-	75,000	-	75,000	74,697	66.44	97.98
						<b>75,000</b>	<b>74,697</b>	<b>66.44</b>	<b>97.98</b>

Carrying Value as at September 30, 2021

74,699



## 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 recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP SARMAYA IZAFI FUND amounting to Rs. 25.78 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 SARMAYA IZAFI FUND by 1.85% 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 and commitments 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 1.75% per annum of the net assets of the Fund till August 22, 2021 thereon with effect from August 23, 2021 selling and marketing has been charged at the rate of 1.80% per annum.

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

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.06% (September 30, 2020: 4.48%) which includes 0.24% (September 30, 2020: 1.01%) representing Government Levy, Sindh Worker's Welfare Fund 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 'Asset Allocation Scheme'.

## 10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 10.1 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) 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 / related parties are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties 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 the Trust Deed.
- 10.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

	<b>Quarter ended September 30, 2021</b>	Quarter ended September 30, 2020
<b>10.6</b>		
<b>Details of the transactions with connected persons during the period are as follows:</b>		
	<b>(Rupees in '000)</b>	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration for the period	<b>5,229</b>	5,135
Sindh sales tax on remuneration	<b>680</b>	668
Reimbursement of operational expenses to the Management Company	<b>647</b>	343
Selling and marketing expense	<b>6,170</b>	5,135
Front-end load	<b>883</b>	2,290
ADC charges including Sindh sales tax	<b>8</b>	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	<b>601</b>	594
Sindh Sale Tax on Remuneration CDC Trustee	<b>78</b>	77
CDS charges	<b>18</b>	46
<b>Employees of the Management Company</b>		
Units Issued/ transfer in: 239,866 (2020: 268,448 ) units	<b>4,026</b>	4,332
Units Redeemed / transferred out: 130,460 units (2020: 134,465 units)	<b>2,233</b>	2,153
<b>Portfolios managed by the Management Company</b>		
Units Issued / transferred in: Nil (2020: 1,527,828 ) units	-	25,000
Units Redeemed / transferred out: 58,055 (2020: Nil) units	<b>1,000</b>	-
Government Treasury Bills Sold	-	73,464
<b>Taurus Securities Limited</b>		
Brokerage expense	<b>12</b>	14
<b>Fauji Fertilizer Limited Company (Common Directorship with the Management Company)</b>		
Dividend Income	<b>833</b>	853
Shares Purchased	<b>13,500</b>	-
<b>International Steels Limited (Common Directorship)</b>		
Dividend Income	<b>188</b>	-
<b>Pakistan Stock Exchange Limited (Common Directorship with the Management Company) *</b>		
Annual Listing Fee	-	25





10.7	Amounts outstanding as at period end ;	Un Audited September 30, 2021	Audited June 30, 2021
		(Rupees in '000)	
	<b>NBP Fund Management Limited - Management Company</b>		
	Remuneration of the Management Company	1,594	1,823
	Sindh Sales Tax on remuneration of the Management Company	207	237
	Federal excise duty on sales load	3,733	3,733
	Federal excise duty on remuneration of the Management Company	16,000	16,000
	Allocated expenses payable	647	540
	Selling and Marketing expenses	6,170	6,303
	Sales and transfer load payable	270	852
	Sindh Sales Tax on sales load payable	36	111
	ADC Charges Payable including sindh sales tax	26	18
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration of the Trustee	193	204
	Sindh sales tax on remuneration of the Trustee	25	26
	CDS charges	31	21
	Security deposit	100	100
	<b>National Bank of Pakistan (Parent Co. of the Management Company)</b>		
	Bank balances	1,771	1,648
	<b>National Clearing Company of Pakistan Limited (Common Directorship with the Management Company)*</b>		
	Security deposit	2,750	2,750
	NCCPL charges payable	30	28
	<b>International Steels Limited (Common Directorship)</b>		
	Shares held: 26,899 shares (2020: 26,899 shares)	2,050	2,513
	Dividend Receivable	188	-
	<b>Gul Ahmed Textile Mills Limited (Common Directorship)</b>		
	Shares held: 268,272 shares (2020: 268,272 shares)	14,704	13,609
	<b>Fauji Fertilizer Company Limited (Common Directorship with the Management Company)</b>		
	Ordinary shares held; 320,300 (2020: 306,800 shares)	32,690	32,551
	<b>The Hub Power Company Limited (Common Directorship with the Management Company) *</b>		
	Ordinary shares held (2020: 620,079) shares	-	49,402
	Markup accrued on sukuks	-	512
	Sukuks held	-	50,997
	<b>BankIslami Pakistan Limited (Common Directorship)</b>		
	Bank balances	1,955	1,995
	Profit receivable on bank balances	38	54
	<b>Employees of the Management Company</b>		
	Units held in the Fund: 363,420 units (2020: 177,816 units)	5,959	3,003
	<b>Portfolios managed by the Management Company</b>		
	Units held: 5,023,036 (2020: 5,081,091) units	82,367	85,817
	<b>Ronak Iqbal Lakhani - unit holder with more than 10% holding</b>		
	Units held: 9,913,583 (2020: 9,913,583 units)	162,562	167,435
	<b>Telenor Microfinance Bank Limited - common directorship*</b>		
	Bank balance - savings account	3	3
	Profit Receivable on bank balances	52	43
	<b>Khushhali Bank Limited - common directorship*</b>		
	Bank balance - savings account	13	13
	Profit Receivable on bank balances	65	56
	<b>Taurus Securities Limited</b>		
	Brokerage Payable	8	-



\* 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

## 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 rupees 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.

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

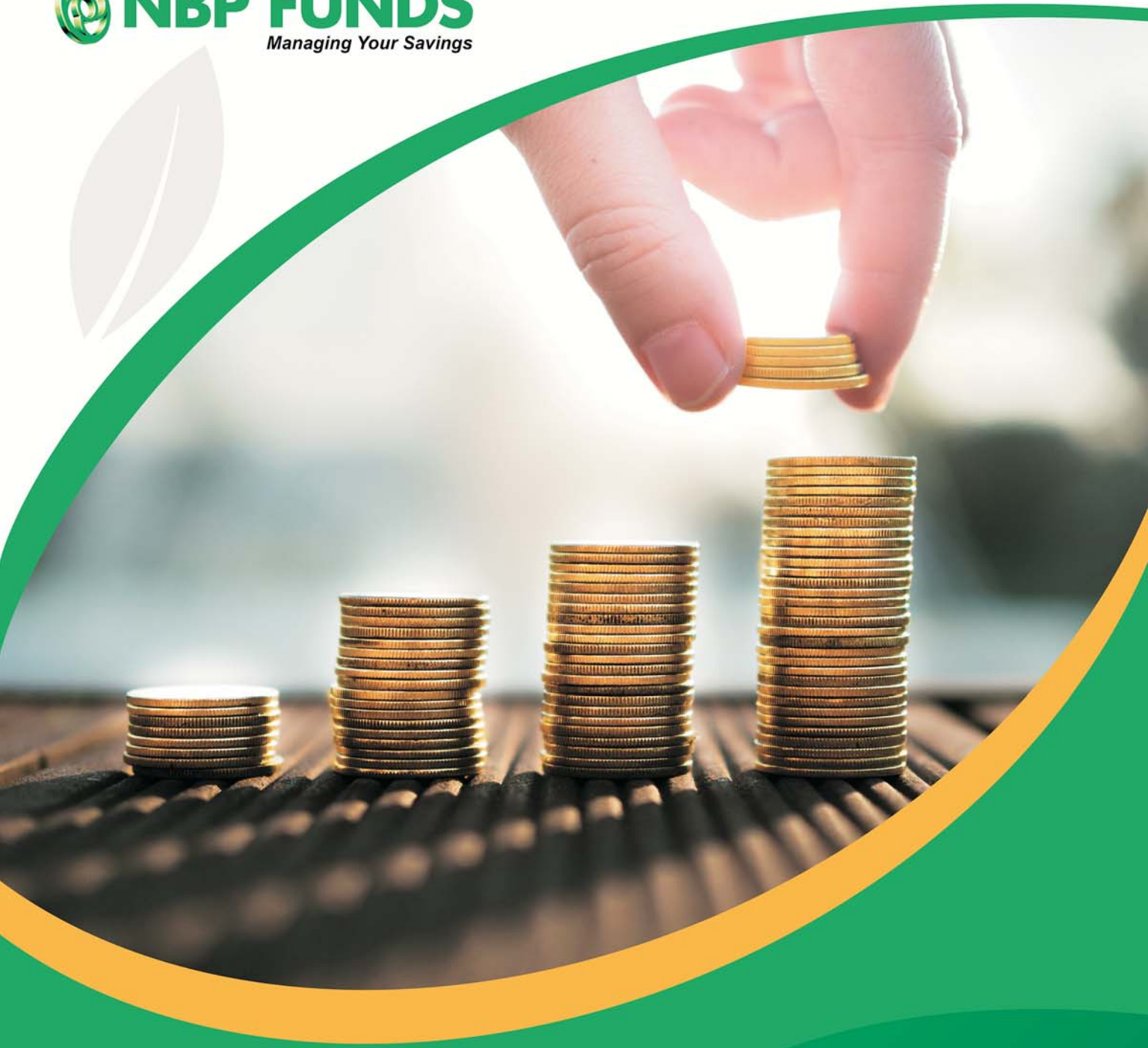
**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpffunds.com](mailto:info@nbpffunds.com)

**Website:** [www.nbpffunds.com](http://www.nbpffunds.com)

 /nbpffunds



**NBP**  
**FINANCIAL SECTOR**  
**INCOME 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

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



## 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 Alfalah Limited  
Bank Al Habib Limited  
Askari Bank Limited  
Habib Metropolitan Bank Limited  
Allied Bank Limited  
National Bank of Pakistan



Samba Bank Limited  
Zarai Taraqiyati Bank Limited  
MCB Islamic Bank Limited  
Faysal Bank Limited  
The Bank of Punjab  
Albaraka Bank of Pakistan  
Bank Islami Pakistan Limited  
U Microfinance Bank Limited  
Telenor Microfinance Bank Limited  
Khushali Microfinance Bank Limited  
The First Microfinance Bank Limited  
Mobilink Micro Finance 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.

#### **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](http://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 Financial Sector Income Fund (NFSIF)** for the quarter ended September 30, 2021.

### Fund's Performance

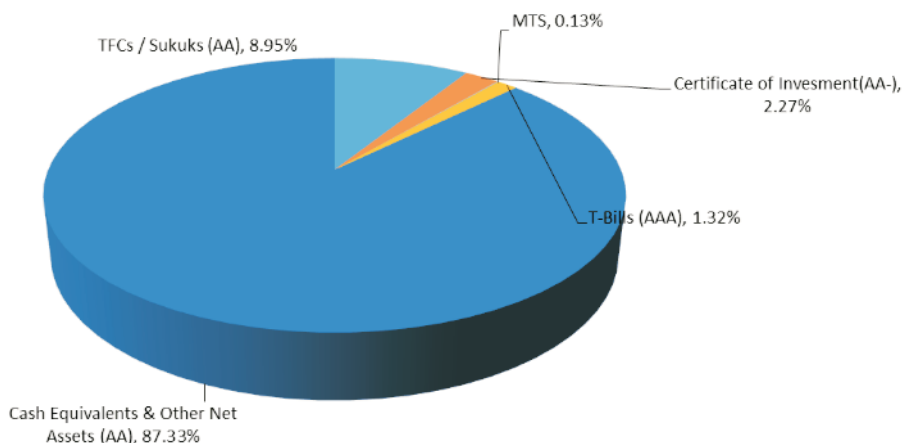
During 1QFY22, lackluster activity was witnessed in the corporate debt market as there was no fresh issuance of corporate debt securities. In the secondary market, the trading activity remained thin with the trade value of Rs. 2.1 billion in 1QFY22 versus Rs. 6.7 billion in 1QFY21. Inflation as measured 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 Financial Sector Income Fund has increased from Rs. 40,638 million to Rs. 43,997 million during the period (i.e., a growth of 8%). During the period, the unit price of the Fund has increased from Rs. 10.4063 (Ex-Div) on June 30, 2021 to Rs. 10.6201 on September 30, 2021, thus showing a return of 8.2% p.a. as compared to its benchmark return of 7.7% p.a. for the same period. The performance of the Fund is net of management fee and 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 is unique as it invests a minimum 70% of its assets in financial sector (mainly banks) debt securities, instruments or deposits. Minimum entity/instrument rating of debt securities is 'AA-'. This minimizes credit risk and at the same time enhances the liquidity of the Fund. Duration of the Fund cannot be more than one year. This minimizes interest rate or pricing risk. The Fund invests 25% of its assets in less than 90 days T-Bills or saving accounts with banks, which further enhances the liquidity profile of the Fund. The Fund has been assigned 'A+ (f)' fund stability rating by PACRA.

The Fund has earned a total income of Rs. 999.308 million during the period. After deducting total expenses of Rs. 102.073 million, the net income is Rs. 897.235 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NFSIF.





## Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 1.299% of the opening ex-NAV (1.369% 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 سہ ماہی کے لئے NBP فنانشل سیکٹور انکم فنڈ (NFSIF) کے غیر جانچ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

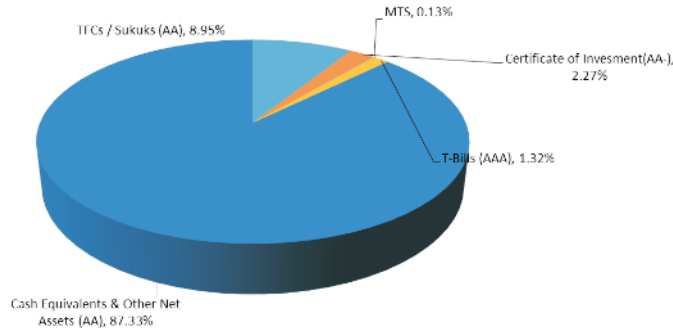
مالی سال 22 کی پہلی سہ ماہی کے دوران، کارپوریٹ ڈیٹ مارکیٹ میں ناقص سرگرمی دیکھی گئی کیونکہ کارپوریٹ ڈیٹ سیکورٹیز کا کوئی نیا اجراء نہیں ہوا۔ ثانوی منڈی میں، تجارتی سرگرمی معمولی طور پر کم رہی جس کی تجارتی قدر مالیاتی سال 2021ء کی پہلی سہ ماہی میں 6.7 ملین روپے کے مقابلہ میں مالیاتی سال 2022ء کی پہلی سہ ماہی میں 2.1 بلین روپے رہی۔ 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 چھ ماہ تک پرانا نظام برقرار رکھنے کے بعد، 20 ستمبر کو منصفانہ اپنے اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 پیمبر پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کر دی۔ مطلوبہ موزوں پالیسی کلس 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، شرح منافع نے آسان مالیاتی سائیکل کی واپسی کے نتائج دیئے کیونکہ پالیسی شرح میں اضافہ کی وجہ سے ٹی ملز 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 ملوں کی بنیادی کمی، 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۔

NBP فنانیشنل سیکٹور انکم فنڈ (NFSIF) کا فنڈ سائز اس مدت کے دوران 40,638 ملین روپے سے بڑھ کر 43,997 ملین روپے ہو گیا یعنی 8% کا اضافہ۔ اس مدت کے دوران، پونٹ کی قیمت 30 جون 2021 کو (Ex-Div) 10.4063 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.6201 روپے تک پہنچ چکی ہے، لہذا اس مدت کے لئے اپنے بیج مارک منافع 7.7% کے مقابلے میں 8.2% کا منافع درج کرایا۔ 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 اس حوالے سے منفرد ہے کہ یہ اپنے اثاثوں کا کم از کم 70% فنانیشنل سیکٹر (بنیادی طور پر بینکس) Debt سیکورٹیز، انسٹرومنٹ یا ڈپازٹس میں سرمایہ کاری کرتا ہے۔ Debt سیکورٹیز کی کم از کم اسٹیٹی / انسٹرومنٹ ریٹنگ "AA-" ہیں۔ اس سے کریڈٹ رسک میں کمی اور اس کے ساتھ ساتھ فنڈ کی لیکویڈیٹی میں اضافہ ہوتا ہے۔ فنڈ کی میعاد ایک سال سے زائد نہیں ہو سکتی۔ یہ شرح سود یا پرائسنگ رسک کو کم کرتا ہے۔ فنڈ اپنے اثاثوں 25 فیصد، 90 دن سے کم مدت کے T-Bills (AAA)، 1.32%، Certificate of Investment (AA)، 2.27%، MTS، 0.13%، TFCs / Sukus (AA)، 8.95% اور Cash Equivalents & Other Net Assets (AA)، 87.33% پر مشتمل ہے۔

فنڈ نے موجودہ مدت کے دوران 999,308 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 102,073 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 897,235 ملین روپے ہے۔ درج ذیل چارٹ NFSIF کی ایسٹ ابلیکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





## آمدنی کی تقسیم

میتھمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے اوپننگ ex-NAV کا 1.299% (بنیادی قدر کا 1.369%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میتھمنٹ کمپنی 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 فنڈ میتھمنٹ لمیٹڈ**

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			
<b>ASSETS</b>			
Bank Balances	4	40,012,979	29,289,389
Investments	5	5,521,934	11,150,164
Profit receivable		201,790	302,360
Receivable against Margin Trading System		55,062	107,127
Receivable against conversion of units		9,148	67,366
Advance, deposit and prepayment		3,708	3,819
<b>Total assets</b>		<b>45,804,621</b>	<b>40,920,225</b>
<b>LIABILITIES</b>			
Payable to the Management Company		47,760	49,519
Payable to Central Depository Company of Pakistan Limited - Trustee		3,107	2,949
Payable to the Securities and Exchange Commission of Pakistan		2,224	5,692
Payable against redemption / conversion of units		147,862	28,751
Payable against purchase of investments		1,582,764	-
Accrued expenses and other liabilities		23,496	195,716
<b>Total liabilities</b>		<b>1,807,213</b>	<b>282,627</b>
<b>NET ASSETS</b>		<b>43,997,408</b>	<b>40,637,598</b>
Unit holders' fund (as per statement attached)		<b>43,997,408</b>	<b>40,637,598</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
Number of units in issue	7	<b>4,142,860,798</b>	<b>3,855,034,331</b>
-----Rupees-----			
Net asset value per unit		<b>10.6201</b>	<b>10.5414</b>

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)	
<b>INCOME</b>		
Income from term finance certificates	91,549	67,260
Income on bank deposits	613,604	229,077
Income from government securities	34,799	17,796
Dividend income - spread transactions (listed)	1,943	-
Income on spread transactions	49,375	-
Income from margin trading system	4,608	-
Income from certificate of investment	4,899	-
Income from term deposit receipts	9,041	-
Income from clean placements	102,262	35,525
(Loss) / gain on sale of investments	(1,046)	1,766
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	13,549	37,105
<b>Total income</b>	<b>924,583</b>	<b>388,529</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	59,385	22,105
Sindh sales tax on remuneration of the Management Company	7,720	2,874
Accounting and operating charges to the Management Company	13,901	3,724
Selling and marketing expenses	2,612	24,448
Remuneration of the Trustee	8,341	2,793
Sindh sales tax on remuneration of the Trustee	1,084	363
Annual fee - Securities and Exchange Commission of Pakistan	2,224	745
Settlement and bank charges	793	159
Annual listing fee	7	7
Auditors' remuneration	250	235
Fund's Rating fee	132	100
Legal and professional charges	18	18
Printing charges	65	9
Brokerage expenses	5,541	7
<b>Total expenses</b>	<b>102,073</b>	<b>57,587</b>
<b>Net income from operating activities</b>	<b>822,510</b>	<b>330,942</b>
Reversal / (Provision) for Sindh workers' welfare fund	74,725	(6,619)
<b>Net income for the period before taxation</b>	<b>897,235</b>	<b>324,323</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>897,235</b>	<b>324,323</b>
<b>Allocation of net income for the period</b>		
Net income for the period	897,235	324,323
Income already paid on units redeemed	(240,973)	(53,380)
	<b>656,262</b>	<b>270,943</b>
<b>Accounting income available for distribution:</b>		
- Relating to capital gains	12,503	31,662
- Excluding capital gains	643,759	239,281
	<b>656,262</b>	<b>270,943</b>

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	Quarter ended September 30, 2020
	-----Rupees -----	
Net income for the period	897,235	324,323
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>897,235</b>	<b>324,323</b>

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

	Quarter ended September 30, 2021			Quarter ended September 30, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
----- (Rupees in '000) -----						
<b>Net assets at beginning of the period</b>	40,465,420	172,178	40,637,598	9,115,885	122,460	9,238,345
Issue of 2,777,666,773 units (2020: 1,505,624,329 units)						
- Capital value	29,280,497	-	29,280,497	15,941,364	-	15,941,364
- Element of income	253,346	-	253,346	27,116	-	27,116
Total proceeds on issuance of units	29,533,843	-	29,533,843	15,968,480	-	15,968,480
Redemption of 2,489,840,306 units (2020: 534,071,115 units)						
- Capital value	(26,246,403)	-	(26,246,403)	(5,622,808)	-	(5,622,808)
- Element of loss	(25,900)	(240,973)	(266,873)	(25,798)	(53,380)	(79,178)
Total payments on redemption of units	(26,272,303)	(240,973)	(26,513,276)	(5,648,606)	(53,380)	(5,701,986)
Distribution during the period: Re. 0.1369 per unit on August 26, 2021) (2020: Re. 0.2302 per unit)						
- Cash Distribution		(340,929)	(340,929)		(262,109)	(262,109)
- Refund of Capital	(217,063)		(217,063)	(89,848)	-	(89,848)
	(217,063)	(340,929)	(557,992)	(89,848)	(262,109)	(351,957)
Total comprehensive income for the period	-	897,235	897,235	-	324,323	324,323
<b>Net assets at end of the period</b>	<b>43,509,897</b>	<b>487,511</b>	<b>43,997,408</b>	<b>19,345,911</b>	<b>131,294</b>	<b>19,477,205</b>
<b>Undistributed income brought forward</b>						
- Realised		133,362			123,006	
- Unrealised		38,816			(546)	
		172,178			122,460	
<b>Accounting income available for distribution:</b>						
- Relating to capital gains		12,503			31,662	
- Excluding capital gains		643,759			239,281	
		656,262			270,943	
Distribution during the period		(340,929)			(262,109)	
<b>Undistributed income carried forward</b>		<b>487,511</b>			<b>131,294</b>	
<b>Undistributed income carried forward</b>						
- Realised		473,962			94,189	
- Unrealised		13,549			37,105	
		487,511			131,294	
			(Rupees)			(Rupees)
<b>Net assets value per unit at beginning of the period</b>			<u>10.5414</u>			<u>10.5282</u>
<b>Net assets value per unit at end of the period</b>			<u>10.6201</u>			<u>10.5337</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
----- Rupees -----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	897,235	324,323
Adjustments :		
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(13,549)	(37,105)
	<u>883,686</u>	<u>287,218</u>
Decrease / (Increase) in assets		
Investments	5,641,779	(756,913)
Profit receivable	100,570	18,765
Receivable against Margin Trading System	52,065	-
Advance, deposit and prepayment	111	79
	5,794,525	(738,069)
Increase / (Decrease) in liabilities		
Payable to the Management Company	(1,759)	6,798
Payable to Central Depository Company of Pakistan Limited - Trustee	158	516
Payable to the Securities and Exchange Commission of Pakistan	(3,468)	(927)
Payable against purchase of investment	1,582,764	(833,945)
Accrued expenses and other liabilities	(172,220)	(55,463)
	1,405,475	(883,021)
Net cash generated from / (used in) operating activities	<u>8,083,686</u>	<u>(1,333,872)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	29,374,998	15,674,866
Payment on redemption of units	(26,394,165)	(5,565,954)
Distribution paid during the period	(340,929)	(262,109)
Net cash generated from financing activities	2,639,904	9,846,803
Net increase in cash and cash equivalents during the period	<u>10,723,590</u>	<u>8,512,931</u>
Cash and cash equivalents at the beginning of the period	29,289,389	6,844,509
Cash and cash equivalents as at the end of the period	<u><u>40,012,979</u></u>	<u><u>15,357,440</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 Financial Sector Income Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 28 July 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 11 July 2011 under 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 the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Funds Association of Pakistan (MUFAP).

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

The core objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector term finance certificates (TFCs) / sukuks, bank deposits and short-term money market instruments.

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

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 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 Trust Act have been introduced. The Management Company, to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme's 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 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 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.

3.3 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) September 30, 2021	(Audited) June 30, 2021
<b>4</b>	<b>BANK BALANCES</b>		
	In current accounts	325	7,663
	In savings accounts	4.1 <b>40,012,654</b>	29,281,726
		<b>40,012,979</b>	<b>29,289,389</b>

4.1 These accounts carry profit at the rates ranging from 5.5% to 9.00% (30 June 2021: 5.5% to 9.00%) per annum.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
<b>5</b>	<b>INVESTMENTS</b>		
	Investments By Category		
	Financial Assets 'at fair value through profit or loss'		
	Term Finance Certificates - Listed	5.1 <b>1,868,512</b>	1,864,533
	Term Finance Certificates - Unlisted	5.2 <b>2,070,582</b>	2,073,174
	Term deposit receipt	-	2,000,000
	Certificate of Investment	5.3 <b>1,000,000</b>	3,000,000
	Equity securities - listed (Spread transactions)	5.4 -	1,973,718
	Government Treasury Bills	5.5 <b>582,840</b>	238,739
		<b>5,521,934</b>	<b>11,150,164</b>



## 5.1 Term Finance Certificates - Listed

All term finance certificates have a face value of Rs. 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market Value as at September 30, 2021	Investment as a percentage of	
	As at July 01, 2021	Purchases during the period	Sale / matured during the period	As at September 30, 2021		Net assets	Market value of total investments
	-----Rupees in '000'-----					----- % -----	
JS Bank Limited	1,150	-	-	1,150	113,752	0.26	2.06
Hub Power Company Limited	2,416	-	-	2,416	248,012	0.56	4.49
KE - Sukuk	132,576	-	-	132,576	675,245	1.53	12.23
Hub Power Company Limited - Sukuk	8,150	-	-	8,150	831,503	1.89	15.06
	<b>144,292</b>	<b>-</b>	<b>-</b>	<b>144,292</b>	<b>1,868,512</b>	<b>4.25</b>	<b>33.84</b>

Carrying Value as at September 30, 2021

1,864,534

## 5.2 Term Finance Certificates - Unlisted

All term finance certificates have a face value of Rs. 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market Value as at September 30, 2021	Investment as a percentage of	
	As at July 01, 2021	Purchases during the period	Sale / matured during the period	As at September 30, 2021		Net assets	Market value of total investments
	-----Rupees in '000'-----					----- % -----	
JS Bank Limited	23,400	-	-	23,400	116,789	0.27	2.12
Jahangir Siddiqui and Company Limited	28,000	-	-	28,000	63,347	0.14	1.15
Jahangir Siddiqui and Company Limited	32,800	-	-	32,800	108,842	0.25	1.97
Askari Commercial Bank Limited	333	-	-	333	334,840	0.76	6.06
Bank of Punjab	500	-	-	500	50,503	0.11	0.91
Hub Power Holding Limited - Sukuk	6,000	-	-	6,000	543,753	1.24	9.85
Samba Bank Limited	8,464	-	-	8,464	852,508	1.94	15.44
	<b>99,497</b>	<b>-</b>	<b>-</b>	<b>99,497</b>	<b>2,070,582</b>	<b>4.71</b>	<b>37.50</b>

Carrying Value as at September 30, 2021

2,061,087

## 5.3 Certificate of Investment

This represents the purchase of Certificate of Investment from Pak-Libya Holding Company Private Limited having face value of Rs. 1,000 million, carrying profit at the rate of 7.55% and that mature on November 04, 2021.

## 5.4 Equity securities - listed (spread transactions) at fair value through profit or loss

The movement in equity securities represent spread transactions entered into by the Fund. The Fund purchases equity securities in ready market and sells them in future market on the same day, resulting in spread income due to difference in ready and future stock prices. This way the Fund has no open exposure to the stock market.

All shares have a nominal face value of Rs. 10 each.



	As at 1 July 2021	Purchased during the year	Settled during the year	As at 30 September 2021	Market value as at 30 September 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
	Number of shares				(Rupees in '000)	%	
<b>Automobile Assembler</b>							
Pak Suzuki Motor Co. Limited	209,500	70,500	280,000	-	-	-	-
<b>Cable &amp; Electrical Goods</b>							
Pak Elektron Limited	2,689,500	5,349,000	8,038,500	-	-	-	-
Waves Singer Pakistan Limited	-	2,237,500	2,237,500	-	-	-	-
<b>Cement</b>							
Cherat Cement Company Limited	4,500	120,500	125,000	-	-	-	-
D.G. Khan Cement Co. Limited	1,920,000	2,207,500	4,127,500	-	-	-	-
Fauji Cement Co. Limited	940,000	1,239,000	2,179,000	-	-	-	-
Lucky Cement Limited	153,000	227,500	380,500	-	-	-	-
Maple Leaf Cement Factory Limited	4,050,500	8,056,500	12,107,000	-	-	-	-
Pioneer Cement Limited	182,500	1,415,500	1,598,000	-	-	-	-
<b>Chemical</b>							
Engro Polymer & Chemicals Limited	1,712,000	1,085,000	2,797,000	-	-	-	-
Lotte Chemical Pakistan Limited	1,166,000	1,075,500	2,241,500	-	-	-	-
Descon Oxychem Limited	-	23,000	23,000	-	-	-	-
<b>Commercial Banks</b>							
Bank Al Habib Limited	26,500	3,500	30,000	-	-	-	-
The Bank of Punjab	2,194,000	1,371,500	3,565,500	-	-	-	-
Faysal Bank Limited	1,500	2,000,000	2,001,500	-	-	-	-
Habib Bank Limited	89,000	188,500	277,500	-	-	-	-
MCB Bank Limited	2,500	-	2,500	-	-	-	-
United Bank Limited	18,000	55,000	73,000	-	-	-	-
<b>Engineering</b>							
Aisha Steel Mills Limited	2,233,500	1,577,000	3,810,500	-	-	-	-
Amreli Steels Limited	218,000	469,500	687,500	-	-	-	-
International Industries Limited	378,000	681,500	1,059,500	-	-	-	-
Mughal Iron & Steel Industries	314,500	526,500	841,000	-	-	-	-
Agha Steel Ind.Ltd	-	23,500	23,500	-	-	-	-
<b>Fertilizer</b>							
Engro Corporation Limited	115,000	81,000	196,000	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	965,500	1,317,500	2,283,000	-	-	-	-
Engro Fertilizers Limited	-	6,000	6,000	-	-	-	-
<b>Food &amp; Personal Care Products</b>							
The Organic Meat Company Limited	-	277,000	277,000	-	-	-	-
Unity Foods Limited	-	4,113,000	4,113,000	-	-	-	-
<b>Glass &amp; Ceramics</b>							
Shabbir Tiles and Ceramics Limited	69,000	500	69,500	-	-	-	-
Tariq Glass Industries Limited	71,000	251,000	322,000	-	-	-	-
<b>Oil &amp; Gas Exploration Companies</b>							
Oil & Gas Development Company Limited	536,000	1,808,000	2,344,000	-	-	-	-
Pakistan Petroleum Limited	256,500	505,500	762,000	-	-	-	-
<b>Oil &amp; Gas Marketing Companies</b>							
Pakistan State Oil Company Limited	469,000	1,354,500	1,823,500	-	-	-	-
Sui Northern Gas Pipelines Limited	2,481,000	2,554,000	5,035,000	-	-	-	-
<b>Pharmaceuticals</b>							
The Searle Company Limited	61,500	204,000	265,500	-	-	-	-
<b>Power Generation &amp; Distribution</b>							
Kot Addu Power Company Limited	388,500	733,500	1,122,000	-	-	-	-
K-Electric Limited	3,368,000	-	4,048,000	-	-	-	-
<b>Refinery</b>							
Byco Petroleum Pakistan Limited	21,854,500	57,394,000	79,248,500	-	-	-	-
<b>Technology &amp; Communication</b>							
Pakistan Telecommunication Company Limited	2,309,000	4,754,500	7,063,500	-	-	-	-
Avanceon Limited	-	1,599,000	1,599,000	-	-	-	-
<b>Textile Composite</b>							
Nishat (Chunian) Limited	1,165,000	1,737,000	2,902,000	-	-	-	-
Nishat Mills Limited	411,000	665,000	1,076,000	-	-	-	-
<b>Transport</b>							
Pakistan Int. Bulk Terminal Limited	5,091,500	4,179,500	9,271,000	-	-	-	-
	<b>58,115,000</b>	<b>114,218,000</b>	<b>172,333,000</b>	-	-	-	-

Market value as at 30 September 2021

Net impact of mark to market on future contracts

Total Market Value of Investment in Spread Transactions as at 30 September 2021

Carrying value as at 30 September 2021



## 5.5 Treasury Bills

Issue date	Tenor	-----Face value-----				Investment as a percentage of		
		As at July 01, 2021	Purchases during the Period	Sales / matured during the Period	As at September 30, 2021	Market value as at September 30, 2021	Net assets	Market value of total investments
		-----Rupees in '000'-----				.....%.....		
27-Aug-20	12 Months	-	455,000	455,000	-	-	-	-
11-Feb-21	6 Months	141,000	2,000,000	2,141,000	-	-	-	-
11-Mar-21	6 Months	-	472,000	472,000	-	-	-	-
25-Mar-21	6 Months	-	190,000	190,000	-	-	-	-
20-May-21	3 Months	-	2,960,000	2,960,000	-	-	-	-
3-Jun-21	3 Months	100,000	13,115,000	13,215,000	-	-	-	-
15-Jul-21	3 Months	-	500,000	500,000	-	-	-	-
29-Jul-21	3 Months	-	600,000	500,000	100,000	99,596	0.0023	1.80
2-Jul-21	3 Months	-	2,065,000	2,065,000	-	-	-	-
12-Aug-21	3 Months	-	500,000	500,000	-	-	-	-
12-Aug-21	6 Months	-	500,000	500,000	-	-	-	-
26-Aug-21	6 Months	-	500,000	500,000	-	-	-	-
9-Sep-21	6 Months	-	1,000,000	500,000	500,000	483,244	0.0110	8.75
		241,000	24,857,000	24,498,000	600,000	582,840	0.0133	10.55

## 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 Financial Sector Income Fund amounting to Rs. 82.31 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 Income Fund by 0.18% 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 0.92% (September 30, 2020: 1.71%) which includes 0.1% (September 30, 2020: 0.28%) 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 a 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 (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 and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

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

11.4 The details of significant transactions and balances with connected persons at year end except those disclosed elsewhere in these financial statements are as follows:

	(Un-Audited) For the quarter ended September 30, 2021	(Un-Audited) For the quarter ended September 30, 2020
<b>11.5 Details of the transactions with connected persons are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	59,385	22,105
Sindh sales tax on remuneration of the Management Company	7,720	2,874
Accounting and operating charges to the Management Company	13,901	3,724
Selling & Marketing Expense	2,612	24,448
Sales load and transfer generated	3,087	6,714
ADC charges including Sindh sales tax	128	-
Dividend Re-invest Units Issued: Nil units (2020: 113,471 units)	-	1,195
Units redeemed / transferred out: Nil units (2020: 14,247,316 units)	-	150,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	8,341	2,793
Sindh sales tax on remuneration of the Trustee	1,084	363
Settlement charges	300	69



	(Un-Audited) For the quarter ended September 30, 2021	(Un-Audited) For the quarter ended September 30, 2020
<b>Employees of the NBP Fund Management Company</b>		
Units issued / transferred in: 22,647 units (2020: 14,732,215 units)	239	156,231
Units redeemed / transferred out: 10,779,017 units (2020: 17,715,923 units)	114,021	188,979
Dividend Re-investment: 7,989,611 Units (2020: 54,802 units)	84,957	577
<b>Fauji Fertilizer Company Ltd (10% or more holding in CIS)</b>		
Units issued / transferred: 1,073,195,251 units (2020 : 4,186,927 units)	11,314,818	44,095
Units redeemed / transferred out: 910,069,424 units (2020: 267,376,814 units)	9,717,994	2,815,000
<b>Ibrahim Holdings Private Limited (10% or more holding in CIS)**</b>		
Units issued / transferred: 73,136,172 units (2020 : Nil units)	773,360	-
Dividend Re-investment: 9,593,093 units (2020: Nil units)	101,145	-
<b>Chief Operating Officer &amp; Company Secretary*</b>		
Units issued / transferred in: Nil units (2020: 94,445 units)	-	1,000
Units redeemed / transferred out: Nil units (2020: 94,445 units)	-	1,006
<b>Portfolios Managed By Management Company</b>		
Units issued / transferred in: 122,140,211 units (2020: 56,250,856 units)	1,291,750	630,137
Units redeemed / transferred out: 83,078,338 units (2020: 30,886,570 units)	885,503	331,815
Dividend Re-investment: 327,994 Units (2020: 2,271,139 units)	3,458	3,427
<b>Bank Islami Pakistan Limited</b>		
Markup Income	5	20
<b>Khushhali Microfinance Bank Limited (Common Directorship)**</b>		
Markup Income	23,155	-
<b>National Bank of Pakistan - Sponsor</b>		
Markup Income	5	-
<b>National Clearing Company of Pakistan</b>		
Dividend Re-investment: 63,739 Units (2020: 99,437 units)	672	1,047
<b>Taurus Securities Limited (Common Directorship)</b>		
Brokerage charges	211	-
<b>KHALID MEHMOOD - CFO</b>		
Dividend Re-invest Units Issued (210)	2	-
<b>NBP Money Market Fund*</b>		
Government Treasury bills Purchased	-	499,382





	(Un-Audited) As at September 30, 2021	(Audited) As at June 30, 2021
	------(Rs. In '000')-----	
<b>11.6 Balances outstanding as at period end</b>		
<b>NBP Fund Management Limited - Management Company</b>		
<b>Management remuneration payable</b>	19,811	18,018
Sindh Sales Tax payable	2,575	2,342
Sales load and transfer load payable	7,414	4,682
Sindh Sales Tax on sales and transfer load	964	609
Selling and marketing expenses	2,612	10,450
Allocation of expenses related to registrar services, accounting, ADC charges including SST	13,901	13,062
Other payable	314	187
	169	169
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	2,750	2,610
Sindh Sales Tax on Trustee remuneration	357	339
Security deposit	100	100
<b>National Bank of Pakistan - Sponsor</b>		
Balance in current account	325	325
Balance in savings account	1,806	2,059
Profit receivable on bank deposit	6	9
<b>Hub Power Company Limited - Sukuk*</b>		
Interest Income receivable	-	15,333
<b>Hub Power Holding Limited (Common Directorship)*</b>		
Interest Income receivable	-	222
<b>Khushhali Microfinance Bank Limited (Common Directorship)</b>		
Bank Balance	1,099,270	1,076,055
Interest income receivable	6,688	6,748
<b>Telenor Microfinance Bank Limited (Common Directorship)</b>		
Bank Balance	23	23
Interest income receivable	271	271
<b>Employees of the NBP Fund Management Company</b>		
Units held: 4,786,033 units (2021: 2,100,737 units)	50,828	22,145
<b>National Clearing Company of Pakistan</b>		
Units held: 5,838,916 units (2021: 5,775,177 units)	62,010	60,878
<b>Bank Islami Pakistan Limited</b>		
Bank balance	15,175	17,025
Profit receivable on bank deposit	10	72
<b>Khalid Mehmood - CFO</b>		
19,285 units held (2021: 19,074 units)	205	201
<b>Ibrahim Holdings Private Limited(10% or more holding in CIS)</b>		
951,870,992 units held (2021: 869,141,727 units)	10,108,965	9,161,971
<b>Fauji Fertilizer Company Ltd (10% or more holding in CIS)</b>		
Units held: 918,741,194 units (2021: 755,615,367 units)	9,757,123	7,965,244
<b>Portfolios Managed by Management Company</b>		
124,627,063 units held (2021 : 76,925,696 units)	1,323,552	810,905

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

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



## 12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 29, 2021 by the Board of Directors of the Management Company.

## 13 GENERAL

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

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](mailto:info@nbpffunds.com)

**Website:** [www.nbpffunds.com](http://www.nbpffunds.com)

 /nbpffunds



**NBP**  
**INCOME OPPORTUNITY**  
**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

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



## 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  
Askari Bank Limited  
Bank Alfalah Limited  
MCB Bank Limited  
JS Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
United Bank Limited  
Bank Al Habib Limited  
Habib Metropolitan Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Zarai Taraqiati Bank Limited  
MCB Islamic Bank Limited



Faysal Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
The Bank of Punjab  
Telenor Microfinance Bank Limited  
U Microfinance Bank Limited  
Al Baraka Bank Limited  
Dubai Islamic Bank Limited  
Khushhali Bank Limited  
Bankislami Pakistan Limited  
NRSP Microfinance Bank Limited  
First Microfinance Bank Limited  
Mobilink Microfinance 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](http://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 Income Opportunity Fund** (NIOF) for the quarter ended September 30, 2021.

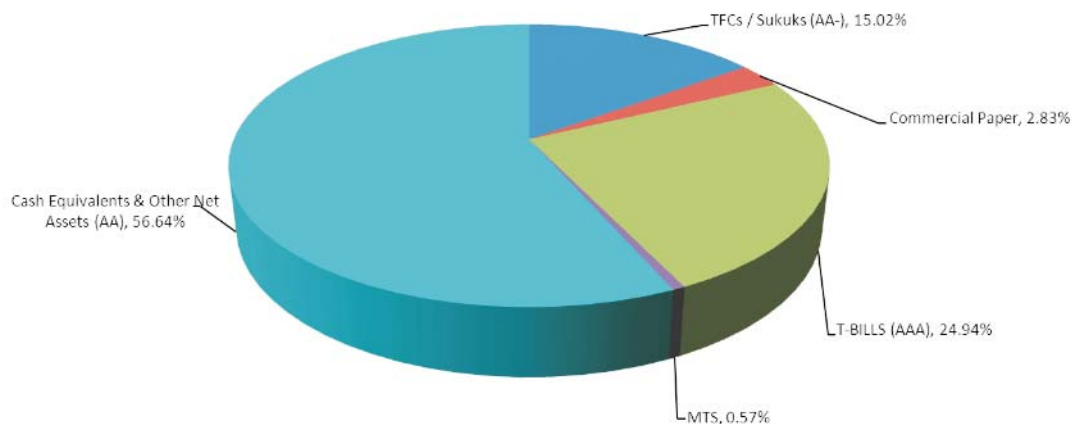
### Fund's Performance

During 1QFY22, lackluster activity was witnessed in the corporate debt market as there was no fresh issuance of corporate debt securities. In the secondary market, the trading activity remained thin with the trade value of Rs. 2.1 billion in 1QFY22 versus Rs. 6.7 billion in 1QFY21. 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 respectively 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.

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A (f)' by PACRA. The size of NBP Income Opportunity Fund has increased from Rs. 7,954 million to Rs. 11,821 million during the period (i.e., a notable growth of 49%). During the period, the unit price of the Fund has increased from Rs. 10.7671 on June 30, 2021 to Rs. 11.0233 on September 30, 2021, thus showing a return of 9.4% p.a. as compared to the benchmark return of 7.7% 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. 276.97 million during the period. After deducting total expenses of Rs. 42.40 million, the net income is Rs. 234.57 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF.





## 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 میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP انکم اپرچونٹی فنڈ (NIOF) کے غیر نظر ثانی شدہ عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### فنڈ کی کارکردگی

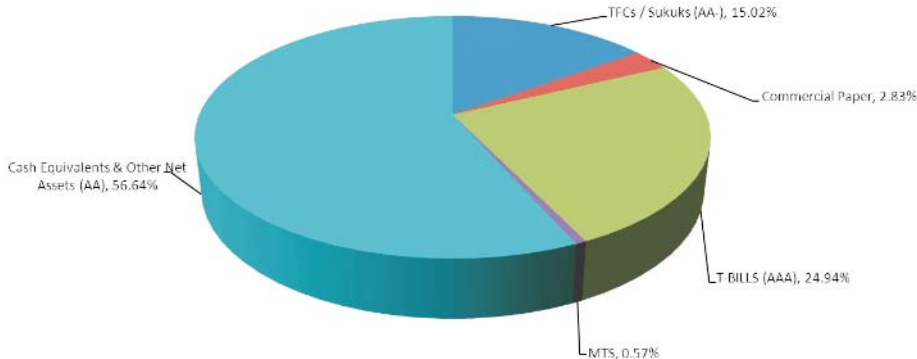
مالی سال 22 کی پہلی سہ ماہی کے دوران، کارپوریٹ ڈیٹ مارکیٹ میں ناقص سرگرمی دیکھی گئی کیونکہ کارپوریٹ ڈیٹ سیکورٹیز کا کوئی نیا اجراء نہیں ہوا۔ ثانوی منڈی میں تجارتی سرگرمی معمولی طور پر کم رہی جس کی تجارتی قدر مالیاتی سال 2021ء کی پہلی سہ ماہی میں 6.7 ملین روپے کے مقابلہ میں مالیاتی سال 2022ء کی پہلی سہ ماہی میں 2.1 ملین روپے رہی۔ 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 پیمز پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کر دی۔ مطلوبہ موزوں پالیسی کسی 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 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 بنیادی کی، جس میں 4.1 ٹریلین روپے کی میچورٹی اور 4.7 ٹریلین روپے کے ہدف کے متقابل مجموعی طور پر 4.3 ٹریلین روپے حاصل کئے۔

NIOF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔

موجودہ مدت کے دوران NBP انکم اپرچونٹی فنڈ (NIOF) کا ساٹز 7,954 ملین روپے سے بڑھ کر 11,821 ملین روپے ہو گیا ہے یعنی 49% کا خاطر خواہ اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2021 کو 10.7671 روپے سے بڑھ کر 30 ستمبر 2021 کو 11.0233 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے نچ مارک 7.7% کے مقابلے میں 9.4% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی ہیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ رپورٹس کردی گئی۔ اس پرویزن کے رپورٹس 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 276.97 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 42.40 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 234.57 ملین روپے ہے۔ درج ذیل چارٹ 30 ستمبر 2021 کو NIOF کی ایسٹ ایبلویشن 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 اینڈریجمنٹ 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

		(Unaudited) 30 September 2021 (Rupees in '000)	(Audited) 30 June 2021
<b>Assets</b>			
Bank Balances	4	9,635,624	5,048,428
Investments	5	5,058,126	2,822,179
Receivable against margin trading system		67,533	169,506
Mark-up accrued		83,896	48,799
Receivable against transfer of units		1,991	49,272
Deposit, prepayments and other receivables		12,740	14,001
<b>Total assets</b>		<b>14,859,910</b>	<b>8,152,185</b>
<b>Liabilities</b>			
Payable to Management Company		77,605	71,517
Payable to Central Depository Company of Pakistan Limited - Trustee		822	632
Payable to Securities and Exchange Commission of Pakistan - annual fee		509	1,400
Payable against redemption		8,947	19,370
Payable against purchase of investment		2,948,091	
Accrued expenses and other liabilities		3,255	105,646
<b>Total liabilities</b>		<b>3,039,229</b>	<b>198,565</b>
<b>Net assets</b>		<b>11,820,681</b>	<b>7,953,620</b>
<b>Unit holders' fund</b>		<b>11,820,681</b>	<b>7,953,620</b>
<b>Contingencies and commitments</b>	7		
		(Number of units)	
<b>Number of units in issue</b>		<b>1,072,331,923</b>	<b>738,698,845</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>11.0233</b>	<b>10.7671</b>

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
Note	(Rupees in '000)	
<b>Income</b>		
Return / mark-up on:		
- bank balances and term deposits	121,937	39,104
- term finance certificates and sukuks	43,521	45,441
- government securities	16,322	11,078
- commercial paper	2,984	2,006
- margin trading system	3,692	2,894
Net income on spread transactions	23,314	7,991
Dividend income on spread transactions	4,300	2,779
Net (loss) on sale of investments	(433)	(10,941)
Net unrealised gain on re-measurement of investments at fair value through profit or loss - held for trading	9,198	15,054
<b>Total income</b>	<b>224,835</b>	<b>115,406</b>
<b>Expenses</b>		
Remuneration of Management Company	14,386	6,656
Sales tax on remuneration of Management Company	1,870	865
Accounting and operational charges	3,180	1,075
Selling and marketing expense	17,805	7,524
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,908	806
Sindh Sales tax on remuneration of trustee	248	105
Annual fee - Securities and Exchange Commission of Pakistan	509	215
Settlement and bank charges	519	525
Security and transaction cost	3,154	2,161
Rating Fee	78	126
Listing Fee	8	7
Auditors' remuneration	201	112
Legal and professional charges	166	28
Printing charges	5	5
Reversal of provision in respect of non-performing investment	(1,639)	-
<b>Total expenses</b>	<b>42,398</b>	<b>20,210</b>
	<b>182,437</b>	<b>95,196</b>
Reversal / (Provision) for Sindh workers' welfare fund	52,133	(1,904)
<b>Net income for the period before taxation</b>	<b>234,570</b>	<b>93,292</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>234,570</b>	<b>93,292</b>
<b>Allocation of Net income for the period:</b>		
Net income for the year after taxation	234,570	93,292
Income already paid on units redeemed	(16,624)	(3,550)
	<b>217,946</b>	<b>89,742</b>
-Relating to capital gains	8,765	11,792
-Excluding capital gains	209,181	77,950
Accounting Income available for Distribution	<b>217,946</b>	<b>89,742</b>

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30	Quarter ended September 30
	2021	2020
	----- (Rupees in '000) -----	
<b>Accounting Income available for Distribution</b>	<b>234,570</b>	<b>93,292</b>
<b>Other comprehensive income</b>		
<b>Total comprehensive income for the period</b>	<b>234,570</b>	<b>93,292</b>

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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 2021			Quarter ended September 2020		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
<b>Net assets at beginning of the year</b>	7,441,129	512,491	7,953,620	3,496,668	503,749	4,000,417
Issuance of 558,667,663 units (2020: 113,508,500 units)						
- Capital value	6,015,231	-	6,015,231	1,220,784	-	1,220,784
- Element of income	80,257	-	80,257	14,756	-	14,756
Total proceeds on issuance of units	6,095,488	-	6,095,488	1,235,540	-	1,235,540
Redemption of 225,034,585 units (2020: 49,707,888 units)						
- Capital value	(2,422,970)	-	(2,422,970)	(534,608)	-	(534,608)
- Element of loss	(23,403)	(16,624)	(40,027)	(1,566)	(3,550)	(5,116)
Total payments on redemption of units	(2,446,373)	(16,624)	(2,462,997)	(536,174)	(3,550)	(539,724)
Total comprehensive income for the period	-	234,570	234,570	-	93,292	93,292
<b>Net assets at end of the period</b>	<b>11,090,244</b>	<b>730,437</b>	<b>11,820,681</b>	<b>4,196,034</b>	<b>593,491</b>	<b>4,789,525</b>
Undistributed income brought forward						
- Realised gain		481,867			503,795	
- Unrealised gain / (loss)		30,624			(46)	
		512,491			503,749	
Accounting income available for distribution						
- Relating to capital gain		8,765			-	
- Excluding capital gains		209,181			89,742	
		217,946			89,742	
<b>Undistributed income carried forward</b>		<b>730,437</b>			<b>593,491</b>	
Undistributed income carried forward						
- Realised gain		721,239			578,437	
- Unrealised gain		9,198			15,054	
		730,437			593,491	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			<u>10.7671</u>			<u>10.7550</u>
Net assets value per unit at end of the period			<u>11.0233</u>			<u>10.9912</u>

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	Quarter ended September 30
	2021	2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	234,570	93,292
<b>Adjustments</b>		
Net unrealised (gain) on re-measurement of investments	(9,198)	(15,054)
(Provision) / Reversal for Sindh workers' welfare fund	(52,133)	1,904
Net income on spread transactions	(23,314)	(7,991)
	<u>149,925</u>	<u>72,151</u>
<b>(Increase) / decrease in assets</b>		
Investments	(2,203,435)	250,636
Mark-up accrued	(35,097)	(12,146)
Receivable against margin trading system	101,973	(31,536)
Deposit, prepayments and other receivables	1,261	(1,022)
	<u>(2,135,298)</u>	<u>205,932</u>
<b>Increase / (Decrease) in liabilities</b>		
Payable to Management Company	6,088	(1,120)
Payable to the Central Depository Company of Pakistan Limited - Trustee	190	23
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(891)	(749)
Payable against purchase of investments	2,948,091	-
Accrued expenses and other liabilities	(50,258)	(7,191)
	<u>2,903,220</u>	<u>(9,037)</u>
<b>Net cash generated from operating activities</b>	<u>917,847</u>	<u>269,046</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	6,142,769	1,242,342
Payments on redemption of units	(2,473,420)	(528,631)
<b>Net cash generated from financing activities</b>	<u>3,669,349</u>	<u>713,711</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>4,587,196</u>	<u>982,757</u>
Cash and cash equivalents at beginning of the period	5,048,428	1,151,141
<b>Cash and cash equivalents at end of the period</b>	<u><u>9,635,624</u></u>	<u><u>2,133,898</u></u>

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 Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 11, 2006 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 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 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 11, 2006 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

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, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "A(f)" (2020: "A(f)" on April 17, 2020) dated October 18, 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 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 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) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
<b>4 BANK BALANCES</b>		
Current accounts	70	7,220
Saving accounts	9,635,554	5,041,208
	<u>9,635,624</u>	<u>5,048,428</u>

These saving accounts carry mark-up at the rates ranging from 5% to 15.50% per annum (June 2021: 6.90% to 9% per annum).



## 5. INVESTMENTS

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

### At fair value through profit or loss

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
Equity securities - listed	5.1	-	-
Equity securities - listed (spread transactions)	5.2	-	961,248
Government securities	5.3	2,948,150	29,725
Term finance certificates - listed	5.4	-	-
Term finance certificates - unlisted	5.5	799,661	816,660
Sukuks	5.6	975,731	980,347
Commercial paper	5.7	334,584	-
Future stock contracts		-	34,199
		<b>5,058,126</b>	<b>2,822,179</b>

### 5.1 Equity securities - listed at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Bonus / Right shares	Sold during the period	As at September 30, 2021		Net assets	Market value of total investments	Paid-up capital of the investee company

All shares have a nominal face value of Rs 10 each.

#### PERSONAL GOODS

Azgard Nine Limited - Non-voting	308	-	-	-	308	-	-	-	-
Carrying value / market value as at September 30, 2021						-			
Carrying value before mark to market as at September 30, 2021						13			

### 5.2 Equity securities - listed (spread transactions) at fair value through profit or loss

The movement in equity securities represent spread transactions entered into by the Fund. The Fund purchases equity securities in ready market and sells them in future market on the same day, resulting in spread income due to difference in ready and future stock prices. This way the Fund has no open exposure to the stock market.

Name of the investee company	Number of shares				Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Sold during the period	As at September 30, 2021		Net assets	Market value of total investments	Paid-up capital of the investee company

All shares have a nominal face value of Rs. 10 each

#### AUTOMOBILE ASSEMBLER

Pak Suzuki Motor Company Limited	74,000	11,000	85,000	-	-	-	-	-
Gandhara Industries Limited	-	-	-	-	-	-	-	-
Gandhara Nissan Limited	-	-	-	-	-	-	-	-

#### AUTOMOBILE PARTS & ACCESSORIES

The General Tyre and Rubber Company of Pakistan Limited	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---



Name of the investee company	Number of shares				Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Sold during the period	As at September 30, 2021		Net assets	Market value of total investments	Paid-up capital of the investee company
					Rs. in '000	%		
<b>CEMENT</b>								
D.G. Khan Cement Company Limited	764,500	954,500	1,719,000	-	-	-	-	-
Fauji Cement Company Limited	432,000	241,000	673,000	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,436,500	712,000	2,148,500	-	-	-	-	-
Lucky Cement Limited	-	156,000	156,000	-	-	-	-	-
Pioneer Cement Limited	582,500	816,500	1,399,000	-	-	-	-	-
Kohat Cement Company Limited	-	-	-	-	-	-	-	-
Cherat Cement Company Limited	225,000	115,000	340,000	-	-	-	-	-
Power Cement Limited	-	-	-	-	-	-	-	-
<b>COMMERCIAL BANKS</b>								
Habib Bank Limited*	39,000	-	39,000	-	-	-	-	-
The Bank of Punjab*	1,500	35,000	36,500	-	-	-	-	-
Askari Bank Limited	-	-	-	-	-	-	-	-
Bank Alfalah Limited	-	-	-	-	-	-	-	-
Bank Al Habib Limited	-	-	-	-	-	-	-	-
MCB Bank Limited	-	-	-	-	-	-	-	-
Meezan Bank Limited	-	-	-	-	-	-	-	-
United Bank Limited	-	-	-	-	-	-	-	-
<b>FERTILIZER</b>								
Engro Fertilizers Limited	-	-	-	-	-	-	-	-
Engro Corporation Limited	-	500	500	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	527,500	577,000	1,104,500	-	-	-	-	-
<b>POWER GENERATION AND DISTRIBUTION</b>								
K-Electric Limited*	282,000	187,000	469,000	-	-	-	-	-
Kot Addu Power Company Limited	860,000	331,500	1,191,500	-	-	-	-	-
<b>OIL AND GAS EXPLORATION COMPANIES</b>								
Oil and Gas Development Company Limited	524,500	1,678,500	2,203,000	-	-	-	-	-
Pakistan Petroleum Limited*	60,000	289,500	349,500	-	-	-	-	-
Pakistan Oilfields Limited	-	-	-	-	-	-	-	-
<b>OIL AND GAS MARKETING COMPANIES</b>								
Pakistan State Oil Company Limited	843,500	773,500	1,617,000	-	-	-	-	-
Sui Southern Gas Company Limited	-	-	-	-	-	-	-	-
Hascol Petroleum Limited	-	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	713,000	1,585,500	2,298,500	-	-	-	-	-



Name of the investee company	Number of shares				Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Sold during the period	As at September 30, 2021		Net assets	Market value of total investments	Paid-up capital of the investee company
					Rs. in '000	%		
<b>FOOD AND PERSONAL CARE PRODUCTS</b>								
Treet Corporation Limited	-	19,500	19,500	-	-	-	-	-
Unity Food Limited	-	6,604,500	6,604,500	-	-	-	-	-
<b>REFINERY</b>								
Attock Refinery Limited	-	-	-	-	-	-	-	-
National Refinery Limited	-	-	-	-	-	-	-	-
Byco Petroleum Pakistan Limited	7,018,000	31,184,500	38,202,500	-	-	-	-	-
Pakistan Refinery Limited	-	-	-	-	-	-	-	-
<b>CABLE AND ELECTRICAL GOODS</b>								
Pak Elektron Limited	791,000	2,766,000	3,557,000	-	-	-	-	-
Waves Singer Pakistan Limited	-	691,000	691,000	-	-	-	-	-
<b>PHARMACEUTICALS</b>								
The Searle Company Limited	45,000	160,000	205,000	-	-	-	-	-
Ferozsons Laboratories Limited	-	-	-	-	-	-	-	-
<b>ENGINEERING</b>								
International Industries Limited	100,500	491,000	591,500	-	-	-	-	-
Aisha Steel Limited	459,500	476,500	936,000	-	-	-	-	-
Mughal Iron and Steel industries Limited	40,500	353,000	393,500	-	-	-	-	-
Amreli Steels Limited	42,000	29,000	71,000	-	-	-	-	-
<b>TEXTILE COMPOSITE</b>								
Nishat Mills Limited	401,500	274,000	675,500	-	-	-	-	-
Nishat Chunian Limited	1,188,000	1,858,500	3,046,500	-	-	-	-	-
<b>TECHNOLOGY AND COMMUNICATION</b>								
Avanceon Limited	-	872,500	872,500	-	-	-	-	-
Netsol Technologies Limited	-	-	-	-	-	-	-	-
Systems Limited	-	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	588,500	95,500	684,000	-	-	-	-	-
TRG Pakistan Limited	-	-	-	-	-	-	-	-
<b>GLASS &amp; CERAMICS</b>								
Tariq Glass Industries Limited	140,500	25,500	166,000	-	-	-	-	-



Name of the investee company	Number of shares				Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Sold during the period	As at September 30, 2021		Net assets	Market value of total investments	Paid-up capital of the investee company
Rs. in '000						%		
<b>TRANSPORT</b>								
Pakistan International Bulk Terminal Limited	2,577,000	5,716,000	8,293,000	-	-	-	-	-
<b>CHEMICAL</b>								
Engro Polymer & Chemicals Limited	139,500	163,500	303,000	-	-	-	-	-
Lotte Chemical Pakistan Limited*	23,500	846,500	870,000	-	-	-	-	-
Descon Oxychem Limited	-	5,000	5,000	-	-	-	-	-
Market value as at September 30, 2021					-			
Net impact of mark to market on future contracts					-			
Total Market Value of Investment in Spread Transactions as at September 30, 2021					-			

## 5.3 Government securities

### 5.3.1 Market treasury bills

Issue Date	Tenor	Face value				Market value as at September 30, 2021	Investment as a percentage of		
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021		Net assets	Market value of total investments	
Rupees in '000						%			
June 3, 2021	3 months	10,000	-	10,000	-	-	-	0.00	
May 20, 2021	3 months	20,000	-	20,000	-	-	-	0.00	
May 20, 2021	3 months	-	300,000	300,000	-	-	-	0.00	
July 15, 2021	3 months	-	500,000	500,000	-	-	-	0.00	
July 29, 2021	3 months	-	500,000	400,000	100,000	99,596	0.84	1.97	
August 27, 2020	12 months	-	40,000	40,000	-	-	-	0.00	
August 27, 2020	12 months	-	25,000	25,000	-	-	-	0.00	
August 27, 2020	12 months	-	40,000	40,000	-	-	-	0.00	
August 12, 2021	3 months	-	500,000	500,000	-	-	-	0.00	
August 12, 2021	6 months	-	500,000	500,000	-	-	-	0.00	
March 25, 2021	6 months	-	260,000	260,000	-	-	-	0.00	
August 26, 2021	6 months	-	500,000	500,000	-	-	-	0.00	
March 25, 2021	6 months	-	400,000	400,000	-	-	-	0.00	
September 9, 2021	6 months	-	250,000	-	250,000	241,622	2.04	4.78	
May 6, 2021	6 months	-	2,625,000	-	2,625,000	2,606,932	22.05	51.54	
July 29, 2021	3 months	-	100,000	100,000	-	-	-	0.00	
September 9, 2021	6 months	-	250,000	250,000	-	-	-	0.00	
Market value as at September 30, 2021					<u>2,948,150</u>				



**5.3.1.1** The effective yield on market treasury bills is 7.59% per annum (June 30, 2021: 7.22% to 7.29% per annum).

**5.3.1.2** Investments include treasury bills with market value of Nil (June 30, 2021: Rs. 29.725 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 SECP.

## 5.4 Term finance certificates - listed

Name of the investee company	Number of certificates				Market value as at September 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021		Net assets	Market value of total investments	Issue size
						Rs. in '000	----- % -----	

All term finance certificates have a face value of Rs. 5,000 each unless stated otherwise.

Pace (Pakistan) Limited	5.4.1	30,000	-	-	30,000	-	-	-	10.00
Saudi Pak Leasing Company Limited	5.4.2	15,000	-	-	15,000	-	-	-	10.00
Worldcall Telecom Limited	5.4.3	45,000	-	-	45,000	-	-	-	0.06

Market value as at September 30, 2021

-----  
-  
-----  
=====

**5.4.1** The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 266.11 million against investee companies have been maintained by valuing the investments as per circular no. 1 of 2009 and circular no. 33 of 2012.

**5.4.2** This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said term finance certificates complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as non performing asset by MUFAP since April 30, 2014. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

**5.4.3** This represents investment in listed term finance certificates with a term of 5 years. On April 07, 2012, the investee company defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since November 8, 2012. The amount of provision required as per SECP circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.





## 5.5 Term finance certificates - unlisted

Name of the investee company	Issue date	Number of certificates				Market value as at September 30, 2021	Investment as a percentage of		
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021		Net assets	Market value of total investments	Issue size

Rs. in '000 ----- % -----

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise.

JS Bank Limited	December 14, 2016	60,000	-	-	60,000	299,460	2.53	5.92	10.00
Jahangir Siddiqui and Company Limited	July 18, 2017	23,340	-	-	23,340	52,804	0.45	1.04	5.84
Silk Bank Limited	August 10, 2017	20,000	-	-	20,000	84,132	0.71	1.66	5.00
JS Bank Limited	December 29, 2017	1,000	-	-	1,000	98,915	0.84	1.96	0.33
Jahangir Siddiqui and Company Limited	March 06, 2018	30,000	-	-	30,000	99,551	0.84	1.97	3.49
Bank of Punjab	April 16, 2018	1,500	-	-	1,500	151,508	1.28	3.00	10.00
Kashf Foundation	September 30, 2019	20	-	-	20	13,291	0.11	0.26	10.00
Azgard Nine Limited III (Note 5.5.1)	December 4, 2007	50,000	-	-	50,000	-	-	0.00	-
Azgard Nine Limited V (Note 5.5.1)	March 31, 2012	16,436	-	-	16,436	-	-	0.00	-
Dewan Cement Limited (Note 5.5.1)	January 14, 2008	30,000	-	-	30,000	-	-	0.00	-
New Allied Electronics Industries (Private) Limited (Note 5.5.1)	May 15, 2007	15,000	-	-	15,000	-	-	0.00	-
AgriTech Limited V (Note 5.5.1)	July 1, 2011	6,464	-	-	6,464	-	-	0.00	-
AgriTech Limited I (Note 5.5.1)	November 29, 2007	30,000	-	-	30,000	-	-	0.00	-

Market value as at September 30, 2021

799,661

**5.5.1** The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 554.44 million against investee companies have been maintained by valuing the investments as per circular no. 1 of 2009 and circular no. 33 of 2012.

## 5.6 Sukuks

Name of the investee company	Issue date	Number of certificates				Market value as at September 30, 2021	Investment as a percentage of		
		As at July 01, 2021	Purchased during the period	Sold / Matured during the period	As at September 30, 2021		Net assets	Market value of total investments	Issue size

Rs. in '000 ----- % -----

All term finance certificates have a face value of Rs. 100,000 each unless stated otherwise.

The Hub Power Company Limited	August 22, 2019	1,000	-	-	1,000	102,025	0.86	2.02	1.43
Javedan Corporation Limited	October 04, 2018	1,000	-	-	1,000	90,750	0.77	1.79	3.34
K Electric	December 27, 2019	80,000	-	-	80,000	407,461	3.45	8.06	9.60
Masood Textile Mills Ltd.	December 17, 2019	1,000	-	-	1,000	89,226	0.75	1.76	4.00
Shakarganj Foods	July 10, 2018	70	-	-	70	55,000	0.47	1.09	0.97
TPL Trakker Limited Sukuk	March 30, 2021	50	-	-	50	50,018	0.42	0.99	0.36
Hub Power Holding Limited	November 12, 2020	2,000	-	-	2,000	181,251	1.53	3.58	3.33
New Allied Electronics Industries (Private) Limited (Note 5.6.1)	December 03, 2007	9,000	-	-	9,000	-	-	-	-
Eden Housing Limited (Note 5.6.1)	March 29, 2008	9,200	-	-	9,200	-	-	-	-

Market value as at September 30, 2021

975,731



**5.6.1** The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 53.21 million against investee companies have been maintained by valuing the investments as per circular no. 1 of 2009 and circular no. 33 of 2012.

## 5.7 Commercial papers

Name of the investee company	Issue date	Number of certificates				Market value as at September 30, 2021	Investment as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / Matured during the period	As at September 30, 2021		Net assets	Market value of total investments
----- Rupees in '000 -----								
TPL Corporation Limited CP	12-Jul-21	-	25,000	25,000	-	-	-	-
TPL Corporation Limited CP	15-Jul-21	-	25,000	-	25,000	24,312	0.21	0.48
K-Electric	26-Aug-21	-	320,000	-	320,000	310,272	2.62	6.13
						<b>334,584</b>	<b>2.83</b>	<b>6.61</b>

**5.7.1** These carries profit at the rate of 7.58% and 7.80% per annum and will mature on January 10, 2022 and February 22, 2022.

## 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 from May 21, 2015 to August 12, 2021, on August 13, 2021.

t During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Income Opportunity Fund amounting to Rs. 53.64 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 Income Opportunity Fund by 0.56% 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

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 0.70% 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. 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, 2021 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 1.66% (September 30, 2020: 2.05%) which includes 0.10% (September 30, 2021: 0.28%) representing Government Levies and 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 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorize funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments :

Type of Investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets	
Investment in Debt securities & Sukuks**	Agritech Limited	149,860	(149,860)	-	-	-	
	Agritech Limited V	32,320	(32,320)	-	-	-	
	Azgard Nine Limited III	103,594	(103,594)	-	-	-	
	Azgard Nine Limited V	82,180	(82,180)	-	-	-	
	Dewan Cement Limited	150,000	(150,000)	-	-	-	
	Eden Housing Limited - Sukuk II	9,056	(9,056)	-	-	-	
	New Allied Electronics Industries (Private) Limited - PPTFC	31,707	(31,707)	-	-	-	
	New Allied Electronics Industries (Private) Limited - Sukuk II	44,149	(44,149)	-	-	-	
	PACE Pakistan Limited	149,820	(149,820)	-	-	-	
	Saudi Pak Leasing Company Limited	41,321	(41,321)	-	-	-	
	World Call Telecom Limited	73,338	(73,338)	-	-	-	
	Investment in Equity scheme	Azgard Nine Limited (Non-Voting)	13	(13)	-	-	-
	<b>Total carrying value and accumulated impairment</b>		<b>867,358</b>	<b>(867,358)</b>	-	-	-



11.1 At the time of purchase, these term finance certificates and sukuks were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

## 12 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

12.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the 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.

12.2 The transactions with connected persons are carried out at agreed terms.

12.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

12.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

	(Un-audited)	
	Quarter Ended September 30,2021	Quarter Ended September 30,2020
	(Rupees in '000)	
<b>12.5 Details of the transactions with connected persons are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	14,386	6,656
Sindh sales tax on remuneration of the Management Company	1,870	865
Sales load and transfer load during the period	73	-
Sindh Sales tax on sales load and transfer load during the period	9	-
Accounting and operational charges to the Management Company	3,180	1,075
Selling and marketing expense	17,805	7,524
Units Redeemed / Transferred Out 1,852,040 units (2020: Nil units)	20,000	-
<b>Central Depository Company of Pakistan Ltd. - Trustee</b>		
Remuneration of the Trustee	1,908	806
Sindh Sales Tax on remuneration of the Trustee	248	105
CDS charges	92	46
<b>Employees of Management Company</b>		
Units Issued / transferred in 3,239,274 units (2020: 1,645,376 units)	35,183	17,939
Units redeemed / transferred out 886,710 units (2020: 1,022,620 units)	9,652	11,127
<b>Portfolio managed by the Management Company</b>		
Units issued / transferred in 156,408,599 units (2020: 1,864,028 units)	1,712,315	20,100
Units redeemed / transferred out 82,491,579 units (2020: 6,920,237 units)	888,634	75,042
<b>National Clearing Company of Pakistan Limited</b>		
NCCPL Charges	147	63
Laga & Levy	312	324



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

<b>Pakistan Stock Exchange Limited*</b>		
Annual Listing Fee Paid	-	25
<b>Bank Islami Limited (Common Directorship with the Management Company)</b>		
Bank Profit	-	19
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank Profit	-	18
<b>Khushhali Bank Limited (Common Directorship with the Management Company)</b>		
Bank Profit	13,509	-
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage for the period	80	-

\*Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

	(Un-audited) As at September 30, 2021	(Audited) As at June 30, 2021
	(Rupees in '000)	
<b>12.6 Amounts outstanding as at period end</b>		
<b>NBP Fund Management Limited (Management Company)</b>		
Remuneration of the Management Company	5,473	4,107
Sindh Sales Tax on remuneration of the Management Company	712	534
Operational expenses	3,180	2,923
Selling and marketing expense	17,805	16,370
Sales load and transfer load	8,309	5,959
Sindh Sales tax on sales load and transfer load	1,184	775
Federal Excise duty and related sindh sales tax on management fee and sale load	40,695	40,695
ADC Charges payable including sales tax	247	154
Investment held in the Fund: 1,880,261 units (June 30, 2021: 3,732,302 units)	20,727	40,186
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the trustee	727	559
Sindh sales tax on remuneration of the trustee	95	73
CDS charges	28	82
Security deposit	100	100
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank balance	7,550	7,718
Accrued markup	17	139
<b>National Clearing Company of Pakistan Limited (Common Directorship with the Management Company)</b>		
NCCPL charges	8	116
Security Deposit	2,750	2,750
Units held: 3,322,481 units (2021: 3,322,481 units)	36,625	35,773



	(Un-audited) As at September 30, 2021 (Rupees in '000)	(Audited) As at June 30, 2021
<b>Taurus Securities (Private) Limited</b>		
Brokerage payable	-	299
<b>Bank Islami Limited (Common Directorship with the Management Company)</b>		
Bank balance	5,806	4,625
Accued markup	4	2
<b>The HUB Power Company*</b>		
Investment in sukuk certificate	-	101,994
profit receivable on Investment in sukuk certificate	-	1,026
<b>Hub Power Holding Limited*</b>		
Investment in sukuk certificate	-	176,768
profit receivable on Investment in sukuk certificate	-	74
<b>Khushhali Bank Limited (Common Directorship with the Management Company)</b>		
Bank balance	621,426	611,277
Accued markup	4,646	11
<b>Telenor Microfinance Bank Limited</b>		
Bank balance	-	7
Accued markup	-	15
<b>NBP Employees Pension Fund (Pension Fund of the parent of the Management Company)</b>		
Investment held in the Fund: 115,478,781 units (June 30, 2021: 115,478,781 units)	1,272,957	1,243,372
<b>Employees of the Management Company</b>		
Investment held in the Fund: 3,141,152 units (June 30, 2021: 754,847 units)	34,626	8,128
<b>Portfolio managed by the Management Company</b>		
Units held in the Fund: 53,833,930 units (2021: 9,493,770 units)	593,429	102,220

\*Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

## 13 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.

## 14 GENERAL

14.1 Figures have been rounded off to the nearest thousand 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@nbpfunds.com](mailto:info@nbpfunds.com)

**Website:** [www.nbpfunds.com](http://www.nbpfunds.com)

 /nbpfunds