



# NAFA ISLAMIC ACTIVE ALLOCATION FUND – III

HALF YEARLY REPORT  
DECEMBER 31, 2021



# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
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 Al Habib Limited  
Dubai Islami Bank Limited  
Habib Bank Limited  
JS Bank Limited  
Meezan Bank Limited  
Soneri Bank Limited  
United Bank Limited



## **Auditors**

A.F. Fergusons & 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.nbp funds.com](http://www.nbp funds.com)

## **Lahore Office:**

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

## **Islamabad Office:**

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

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



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NAFA Islamic Active Allocation Fund - III** (NIAAF- III) for the half year ended December 31, 2021.

NAFA Islamic Active Allocation Fund-III has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through three (3) Allocation Plans including NAFA Islamic Capital Preservation Plan-III (NICPP-III), NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) & NAFA Islamic Capital Preservation Plan-V (NICPP-V).

**Islamic Income Fund:**  
**Islamic Money Market:**  
**Islamic Equity Fund:**

**NBP Islamic Income Fund**  
**NBP Islamic Money Market Fund & NBP Islamic Daily Dividend Fund**  
**NBP Islamic Active Allocation Equity Fund**

After impressive return in FY21, the 1HFY22 has remained lackluster for the stock market in terms of performance. The market oscillated in a narrow range during the period, amid thin volumes, showing lack of interest on part of investors and at period close, the benchmark KMI-30 index fell by around 4,934 points, translating into a decline of 6.4% during the period under review.

June period and September period results came in during 1H, whereby companies posted massive growth in profits along with healthy payouts. However, the market performance remained subdued which can be attributed to deterioration in key economic variables. Although the economic growth picked further steam during the year, the external vulnerabilities also came to the fore as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. Despite healthy growth in remittances and goods exports, which surged by 11.3% and 29% respectively, import bill rose massively by 57% on a YoY basis, and current account deficit clocked in at USD 9.1bn. For the same reason, PKR remained under duress and depreciated by a significant 12% during the period. Both these factors caused uncertainty in terms of outlook, as investors weighed the impact on margins and corporate profitability going forward. Monthly inflation reading also kept creeping up and average inflation stood at around 9.8% for the period under review. To compress both the external imbalances and the high inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in the 1H. Inordinate delay in the resumption of the IMF program, which is on hiatus since March-21, was another reason for uneasiness in the market. Lastly, the downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which further dented the stock market performance.

On the positive side, Roshan Digital Account (RDA) continued to grow with vigour, as cumulative flows stood at USD 3.2 billion at Dec-21 (net inflows of around USD 1.6bn in 1HFY22). The country also received around USD 2.75bn from IMF under its new Special Drawing Rights (SDR) allocation, under its historic funding of USD 650bn for the developing and developed member countries. In addition to it, the country was able to secure USD 4.2 billion support package from Saudi Arabia, which involved USD 3 billion deposit with SBP and the remaining as oil supplies on deferred payments during the year.

Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Insurance, and Companies remained the largest buyers during the period with net inflows of USD 72 million, USD 66 million and USD 60 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 250 million.

The market saw a decent increase in the issuance of short-term debt securities and commercial papers in the primary market, although it remained under-supplied against a large and growing demand. During 1HFY22, The Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%; in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic demand growth. SBP expects inflation to average 9% - 11% during the fiscal year due to the rise in utility charges, motor fuel, house rent, milk and other household consumables. However, in the near-term, MPC expects monetary policy settings to remain broadly unchanged.

### NAFA Islamic Capital Preservation Plan-III (NICPP-III)

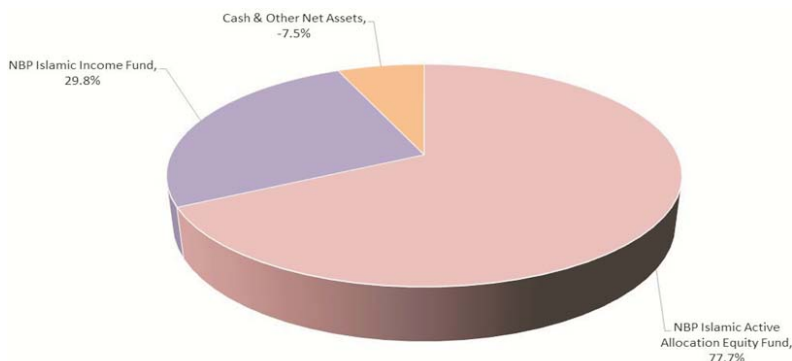
#### Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs.



101.0840 (Ex-Div) on June 30, 2021 to Rs. 102.9882 on December 31, 2021, thus showing an increase of 1.9%. The Benchmark decreased by 2.3%. Thus, the Fund has outperformed its Benchmark by 4.2%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-III (NICPP-III) has increased from Rs.89.9085 on June 22, 2018 to Rs.102.9882 on December 31, 2021, thus showing an increase of 14.5%. The Benchmark increased during the same period was 5.6%. Thus, the Fund has outperformed its Benchmark by 8.9%. This performance is net of management fee and all other expenses. The size of the Plan is Rs.54 million. 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 no to be repeated in the future.

NAFA Islamic Capital Preservation Plan-III (NICPP-III) has incurred a total income of Rs. 2.56 million during the period. After deducting for total expenses of Rs.0.55 million, the net income is Rs. 2.01 million. The asset allocation of the Fund as on December 31, 2021 is as follows:

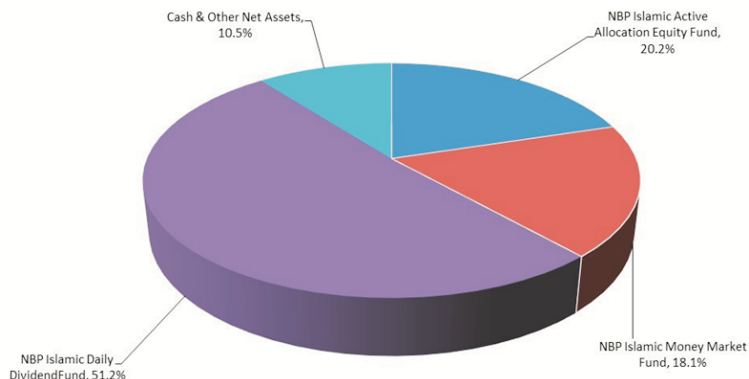


## NAFA Islamic Capital Preservation Plan-IV (NICPP-IV)

### Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs. 99.1553 on June 30, 2021 to Rs. 101.0148 on December 31, 2021, thus showing an increase of 1.9%. The Benchmark decreased by 0.4%. Thus, the Fund has outperformed its Benchmark by 2.3%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has increased from Rs.92.3601 (Ex-Div) September 14, 2018 to Rs. 101.0148 on December 31, 2021, thus showing an increase of 9.4%. The Benchmark increased during the same period was 3.1%. Thus, the Fund has outperformed its Benchmark by 6.3%. This performance is net of management fee and all other expenses. The size of the Plan is Rs.45 million. 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 no to be repeated in the future.

NAFA Islamic Capital Preservation Plan-IV (NICPP-IV) has incurred a total income of Rs. 1.44 million during the period. After deducting for total expenses of Rs.0.53 million, the net income is Rs. 0.91 million. The asset allocation of the Fund as on December 31, 2021 is as follows:





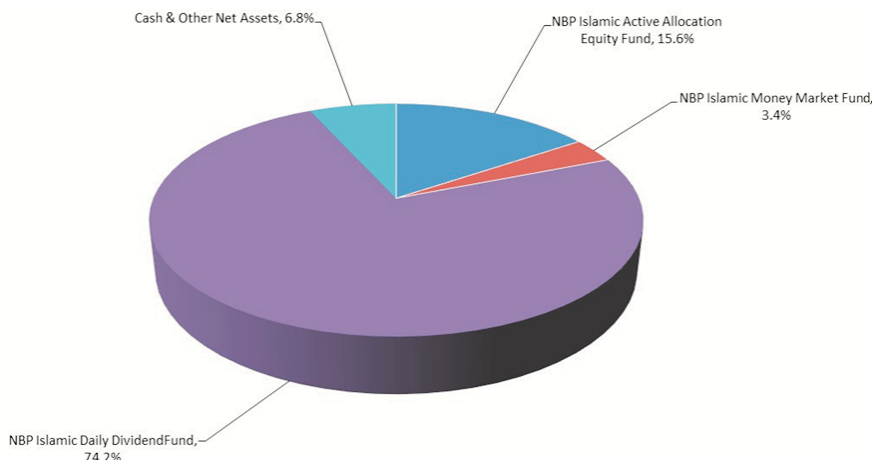


## NAFA Islamic Capital Preservation Plan-V (NICPP-V)

### Plan's Performance

During the period, the unit price of NAFA Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs. 98.5671 on June 30, 2021 to Rs. 100.4764 on December 31, 2021, thus showing an increase of 1.9%. The Benchmark increased by 0.1%. Thus, the Fund has outperformed its Benchmark by 1.8%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-V (NICPP-V) has increased from Rs.93.0875 (Ex-Div) on December 17, 2018 to Rs. 100.4764 on December 31, 2021, thus showing an increase of 7.9%. The Benchmark increased during the same period was 3.4%. Thus, the Fund has outperformed its Benchmark by 4.5%. This performance is net of management fee and all other expenses. The size of the Plan is Rs.34 million. 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.

NAFA Islamic Capital Preservation Plan-V (NICPP-V) has incurred a total income of Rs. 1.63 million during the period. After deducting for total expenses of Rs.0.52 million, the net income is Rs. 1.11 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



### Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive**

**Director**

Date: **February 23, 2022**  
Place: Karachi.



## ڈائریکٹرز رپورٹ

NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-III) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

NAFA اسلامک ایکٹو ایلوکیشن فنڈ (NIAAF-III) ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو کہ تین (3) ایلوکیشن پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کریں گے، یہ پلانز NAFA اسلامک کیپٹل پریزرویشن پلان III- (NICPP-III)، NAFA اسلامک کیپٹل پریزرویشن پلان IV- (NICPP-IV) اور NAFA اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) ہیں۔

اسلامک انکم فنڈ: NBP اسلامک انکم فنڈ

اسلامک منی مارکیٹ فنڈ: NBP اسلامک منی مارکیٹ فنڈ اور NBP اسلامک ڈیل ڈیویڈنڈ فنڈ

اسلامک ایکٹیو فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکٹیو فنڈ

FY21 میں متاثر کن منافع کے بعد، 1HFY22 کارکردگی کے لحاظ سے اسٹاک مارکیٹ کے لئے غیر متاثر کن رہی۔ اس عرصہ کے دوران مارکیٹ میں گردش اتار چڑھاؤ رہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بیچ مارک KMI-30 انڈیکس میں تقریباً 4,934 پوائنٹس کمی ہوئی، جس سے زیر جائزہ مدت کے دوران 6.4 فیصد کمی واقع ہوئی۔

جون اور ستمبر کی مدت کے نتائج پہلی ششماہی کے دوران آئے، جس کے تحت کمپنیوں نے زبردست منافع کے ساتھ اچھا عبوری منافع دیا۔ تاہم، مارکیٹ کی کارکردگی کم رہی جس کی وجہ اہم اقتصادی تغیرات میں بگاڑ کو قرار دیا جاسکتا ہے۔ اگرچہ سال کے دوران معاشی نمو مزید تیز ہو گئی، تاہم مجموعی مقامی طلب میں اضافے اور اجناس کے جاری سپر سائیکل کے باعث بیرونی عدم توازن مزید بڑھ جانے کی وجہ سے بیرونی دباؤ بھی سامنے آیا۔ ترسیلات زر اور سامان کی برآمدات میں بہتر نمونے کا وجود، جس میں بالترتیب 11.3% اور 29% کا اضافہ ہوا، درآمدی بل میں سالانہ بنیادوں پر 57% کا مجموعی اضافہ ہوا، اور کرنٹ اکاؤنٹ خسارہ 9.1 بلین امریکی ڈالر تک پہنچ گیا۔ اسی وجہ سے، پاکستانی روپیہ دباؤ میں رہا اور اس مدت کے دوران قدر میں نمایاں طور پر 12% کی کمی واقع ہوئی۔ یہ دونوں عوامل مجموعی نقطہ نظر کے لحاظ سے غیر یقینی صورتحال کا باعث بنے، کیونکہ سرمایہ کاروں نے مستقبل میں مارجن اور کارپوریٹ منافع پر اثر کو اہمیت دی۔ مابند افراط زر کی شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت میں اوسط افراط زر تقریباً 9.8 فیصد رہا۔ بیرونی عدم توازن اور بلند افراط زر دونوں کو کم کرنے کے لیے، مرکزی بینک نے اس عرصے کے دوران مالیاتی سختی کا سہارا لیا کیونکہ پہلی ششماہی میں پالیسی شرح میں مجموعی طور پر 2.75% اضافہ کیا گیا۔ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں غیر معمولی تاخیر، جو مارچ 21 سے قفل کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI امریکہ مارکیٹ سے MSFI فریٹنر مارکیٹ میں تنزلی بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن بحال کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصہ کے دوران غیر معمولی بیرونی اخراج ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔

مثبت پہلو پر، روشن ڈیجیٹل اکاؤنٹ (RDA) تیزی سے بڑھتا رہا، جیسا کہ مجموعی آمد دسمبر 21 کو 3.2 بلین امریکی ڈالر (1HFY22) میں تقریباً 1.6 بلین امریکی ڈالر کی خالص آمد) رہا۔ ملک نے ترقی پذیر اور ترقی یافتہ رکن ممالک کے لیے 650 بلین امریکی ڈالر کی تاریخی فنڈنگ کے تحت اپنے نئے انیشی ایٹو رائٹنگ رائٹس (SDR) کے تحت آئی ایم ایف سے تقریباً 2.75 بلین امریکی ڈالر وصول کیے۔ اس کے علاوہ، ملک سعودی عرب سے 4.2 بلین امریکی ڈالر امدادی چیک حاصل کرنے میں کامیاب رہا، جس میں سے 3 بلین امریکی ڈالر SBP کے پاس ڈیپازٹ اور باقی سال کے دوران موخر ادائیگیوں پر تیل کی سپلائی کے طور پر شامل تھا۔

مارکیٹ کی سیکنڈ وائرز کارکردگی کے پیش نظر، آٹوموبائل اسمبلرز، کیمیکلز، کمرشل بینکس، کھادیں، خوراک اور ذاتی نگہداشت، گلاس اینڈ سرامکس، تیل و گیس ایکسپلوریشن، بجلی پیداوار تقسیم کرنے، اور ٹیکسٹائل کمپوزٹ سیکنڈز نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور ایسیریز، کیل اور الیکٹرک سامان، سینٹ، انجینئرنگ، انشورنس، تیل و گیس مارکیٹنگ، کانڈر اور بوڈ، دواسازی، ریفرنڈریز، ٹیکنالوجی اور کمیونیکیشن، اور دینا سہتی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیر جائزہ مدت کے دوران بالترتیب 72 بلین امریکی ڈالر، 66 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر کی خالص آمدنی کے ساتھ بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 250 بلین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے زیادہ فروخت کنندگان رہے۔

مارکیٹ نے پرائمری مارکیٹ میں مختصر مدتی ڈیٹ سیکورٹیز اور کمرشل پیپرز کے اجراء میں نمایاں اضافہ دیکھا، اگرچہ بڑھتی ہوئی زیادہ طلب کے مقابلے اس کی رسد کم رہی ہے۔ 1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراط زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیس پوائنٹ اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراط زر عالمی قیمتیں اور مقامی طلب نمو زیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ یٹیلیٹی چارجز، موٹر فیول، ہاؤس رینٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران افراط زر اوسطاً 11%-9% رہنے کی امید ہے۔ تاہم، قریب مدت میں، MPC کو توقعات ہیں کہ مانیٹری پالیسی بڑے پیمانے پر تبدیل نہیں ہوگی۔

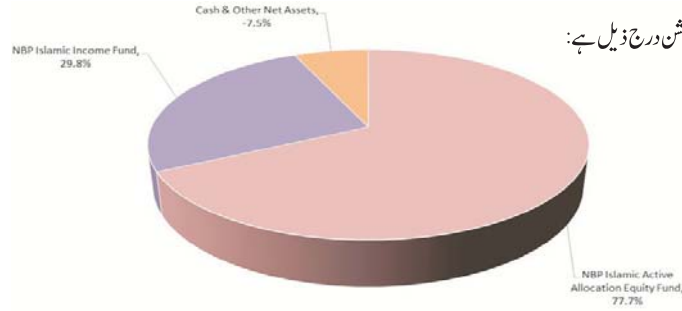


## NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III)

### پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے یونٹ کی قیمت 30 جون 2021 کو 101.0840 روپے سے بڑھ کر 31 دسمبر 2021 کو 102.9882 روپے ہو چکی ہے اور اس طرح 1.9% کا اضافہ دکھایا ہے۔ نیچ مارک کم ہو کر 2.3% ہو گیا۔ لہذا پلان نے اپنے نیچ مارک سے 4.2% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 22 جون 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کے یونٹ کی قیمت 89.9085 روپے سے بڑھ کر 31 دسمبر 2021 کو 102.9882 روپے ہو گئی، لہذا 14.5% کا اضافہ دکھایا۔ اس مدت کے دوران نیچ مارک 5.6% زیادہ ہوا۔ لہذا پلان نے اپنے نیچ مارک سے 8.9% کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 54 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ رپورس کردی گئی۔ اس پرویشن 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۔

اسلامک کیپٹل پریزرویشن پلان-III (NICPP-III) کو اس مدت کے دوران 2.56 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.55 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 2.01 ملین روپے ہے۔



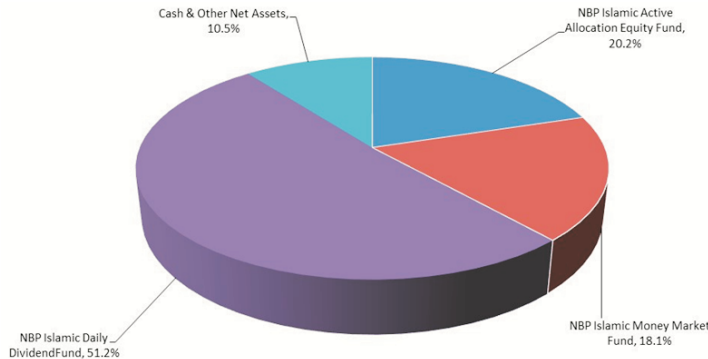
31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:

## NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV)

### پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 30 جون 2021 کو 99.1553 روپے سے بڑھ کر 31 دسمبر 2021 کو 101.0148 روپے ہو چکی ہے اور اس طرح 1.9% کا اضافہ دکھایا ہے۔ نیچ مارک 0.4% سے کم ہوا۔ لہذا پلان نے اپنے نیچ مارک سے 2.3% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 14 ستمبر 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کے یونٹ کی قیمت 92.3601 روپے سے بڑھ کر 31 دسمبر 2021 کو 101.0148 روپے ہو گئی، لہذا 9.4% کا اضافہ دکھایا۔ اس مدت کے دوران نیچ مارک 3.1% زیادہ ہوا۔ لہذا فنڈ نے اپنے نیچ مارک سے 6.3% کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 45 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ رپورس کردی گئی۔ اس پرویشن 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۔

NAFA اسلامک کیپٹل پریزرویشن پلان-IV (NICPP-IV) کو اس مدت کے دوران 1.44 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.53 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 0.91 ملین روپے ہے۔



31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



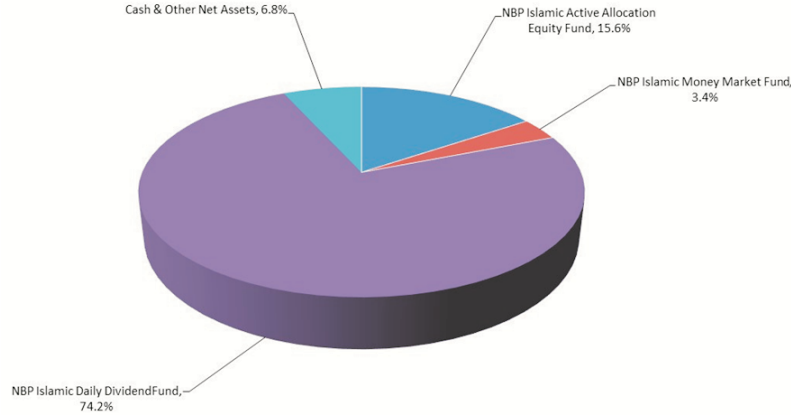
## NAFA اسلامک کیپٹل پریزرویشن پلان-V (NICPP-V)

### پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) کے یونٹ کی قیمت 30 جون 2021 کو 98.5671 روپے سے بڑھ کر 31 دسمبر 2021 کو 100.4764 روپے ہو چکی ہے اور اس طرح 1.9% کا اضافہ دکھایا ہے۔ بیچ مارک بڑھ کر 0.1% ہو گیا۔ لہذا فنڈ نے اپنے بیچ مارک سے 1.8% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 17 دسمبر 2018 کو اپنے قیام کے وقت اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) کے یونٹ کی قیمت 93.0875 روپے سے بڑھ کر 31 دسمبر 2021 کو 100.4764 روپے ہو گئی، لہذا 7.9% کا اضافہ ظاہر کیا۔ اس مدت کے دوران بیچ مارک 3.4% زیادہ ہوا۔ لہذا پلان نے اپنے بیچ مارک سے 4.5% کی بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 34 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ ریورس کر دی گئی۔ اس پروڈنگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NAFA اسلامک کیپٹل پریزرویشن پلان V- (NICPP-V) کو اس مدت کے دوران 1.63 ملین روپے کی آمدنی ہوئی۔ 0.52 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 1.11 ملین روپے ہے۔

31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل 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 یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور 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 فنڈ منجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

### **Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Active Allocation Fund-III (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 25, 2022



## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Active Allocation Fund III** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2021, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **A.F. Ferguson & Co.**

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: **February 28, 2022**

Karachi



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

		December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note		(Rupees in 000)				(Rupees in 000)			
<b>ASSETS</b>									
	4	7,664	5,113	2,296	15,073	6,359	1,728	5,141	13,228
	5	46,617	39,989	31,813	118,419	74,199	46,100	49,400	169,699
		47	22	24	93	47	29	19	95
		-	-	-	-	-	920	-	920
		225	5	455	685	220	-	450	670
	6	-	-	-	-	-	-	-	-
<b>Total assets</b>		54,553	45,129	34,588	134,270	80,825	48,777	55,010	184,612
<b>LIABILITIES</b>									
	7	52	40	41	133	54	40	46	140
		3	3	2	8	6	3	3	12
	8	7	5	5	17	21	16	13	50
		-	-	-	-	189	158	35	382
	9	390	416	417	1,223	1,633	1,061	961	3,655
<b>Total liabilities</b>		452	464	465	1,381	1,903	1,278	1,058	4,239
<b>NET ASSETS</b>		54,101	44,665	34,123	132,889	78,922	47,499	53,952	180,373
<b>UNIT HOLDERS' FUND</b>									
<b>(AS PER STATEMENT ATTACHED)</b>		54,101	44,665	34,123	132,889	78,922	47,499	53,952	180,373
<b>CONTINGENCIES AND COMMITMENTS</b>									
	10	Number of units				Number of units			
<b>NUMBER OF UNITS IN ISSUE</b>		525,317	442,166	339,615		780,759	479,034	547,361	
		Rupees				Rupees			
<b>NET ASSET VALUE PER UNIT</b>	11	102.9882	101.0148	100.4764		101.0840	99.1553	98.5671	

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021				Half year ended December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note	(Rupees in 000)				(Rupees in 000)			
<b>INCOME</b>								
Dividend income	468	458	507	1,433	-	2,534	1,821	4,355
Profit on bank balances	156	116	109	381	3,327	763	699	4,789
	624	574	616	1,814	3,327	3,297	2,520	9,144
Gain on sale of investments - net	1,140	515	872	2,527	406	20	41	467
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	194	141	(10)	325	3,013	-	-	3,013
5.2	1,334	656	862	2,852	3,419	20	41	3,480
	1,958	1,230	1,478	4,666	6,746	3,317	2,561	12,624
<b>EXPENSES</b>								
Remuneration of NBP Fund Management Limited - the Management Company	26	17	19	62	537	121	109	767
Sindh sales tax on remuneration of the Management Company	3	2	2	7	70	16	14	100
Reimbursement of allocated expenses	36	23	23	82	62	52	40	154
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	25	16	16	57	43	37	28	108
Sindh sales tax on remuneration of the Trustee	3	2	2	7	6	5	4	15
Annual fee to the Securities and Exchange Commission of Pakistan	7	5	5	17	12	10	8	30
Settlement and bank charges	9	3	3	15	12	5	2	19
Annual listing fee	5	5	5	15	4	5	5	14
Auditors' remuneration	216	221	220	657	250	207	205	662
Legal and professional charges	196	209	207	612	102	111	99	312
Shariah advisory fee	7	5	2	14	10	6	5	21
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	114	121	235
Printing charges	19	17	18	54	22	18	10	50
6.1	552	525	522	1,599	1,130	707	650	2,487
<b>Total operating expenses</b>	552	525	522	1,599	1,130	707	650	2,487
<b>Net income from operating activities</b>	1,406	705	956	3,067	5,616	2,610	1,911	10,137
Reversal of provision / (provision against) Sindh Workers' Welfare Fund - net	608	205	157	970	(112)	(52)	(38)	(202)
9.1	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
<b>Net income for the period before taxation</b>	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
Taxation	-	-	-	-	-	-	-	-
12	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
<b>Net income for the period after taxation</b>	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
<b>Earnings per unit</b>								
13								
<b>Allocation of net income for the period:</b>								
Net income for the period after taxation	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
Income already paid on units redeemed	(1,014)	(88)	(465)	(1,567)	(1,356)	(1,062)	(407)	(2,825)
	1,000	822	648	2,470	4,148	1,496	1,466	7,110
<b>Accounting income available for distribution:</b>								
- Relating to capital gains	1,000	656	648	2,304	3,419	20	41	3,480
- Excluding capital gains	-	166	-	166	729	1,476	1,425	3,630
	1,000	822	648	2,470	4,148	1,496	1,466	7,110

The annexed notes 1 to 18 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 DECEMBER 31, 2021

	Quarter ended December, 2021				Quarter ended December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note ----- (Rupees in 000) ----- (Rupees in 000) -----								
<b>INCOME</b>								
Dividend income	455	445	492	1,392	-	930	906	1,836
Profit on bank balances	78	56	49	183	1,436	147	232	1,815
	533	501	541	1,575	1,436	1,077	1,138	3,651
Gain / (loss) on sale of investments - net	517	(7)	318	828	224	-	-	224
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets "at fair value through profit or loss" - net	5.2 (119)	9	(212)	(322)	1,023	-	-	1,023
	398	2	106	506	1,247	-	-	1,247
	931	503	647	2,081	2,683	1,077	1,138	4,898
<b>EXPENSES</b>								
Remuneration of NBP Fund Management Limited - the Management Company	7.1 14	10	9	33	223	22	40	285
Sindh sales tax on remuneration of the Management Company	7.2 1	1	1	3	29	3	5	37
Reimbursement of allocated expenses	7.3 16	11	10	37	27	17	19	63
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	11	8	7	26	18	12	13	43
Sindh sales tax on remuneration of the Trustee	1	1	1	3	3	2	2	7
Annual fee to the Securities and Exchange Commission of Pakistan	8.1 3	3	2	8	5	3	4	12
Settlement and bank charges	4	-	-	4	11	1	2	14
Annual listing fee	3	3	3	9	2	3	3	8
Auditors' remuneration	133	145	145	423	178	110	89	377
Legal and professional charges	135	143	141	419	56	57	73	186
Shariah advisory fee	4	2	1	7	7	-	2	9
Amortisation of preliminary expenses and floatation costs	6.1 -	-	-	-	-	-	64	64
Printing charges	10	8	9	27	19	-	1	20
<b>Total operating expenses</b>	335	335	329	999	578	230	317	1,125
<b>Net income from operating activities</b>	596	168	318	1,082	2,105	847	821	3,773
Reversal of provision / (provision against) Sindh Workers' Welfare Fund - net	9.1 -	-	-	-	(42)	(17)	(16)	(75)
<b>Net income for the period before taxation</b>	596	168	318	1,082	2,063	830	805	3,698
Taxation	12 -	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	596	168	318	1,082	2,063	830	805	3,698
<b>Earnings per unit</b>	13							
<b>Allocation of net income for the period:</b>								
Net income for the period after taxation	596	168	318	1,082	2,063	830	805	3,698
Income already paid on units redeemed	-	-	-	-	(653)	(316)	(326)	(1,295)
	596	168	318	1,082	1,410	514	479	2,403
<b>Accounting income available for distribution:</b>								
- Relating to capital gains	517	-	318	835	1,247	-	-	1,247
- Excluding capital gains	79	168	-	247	163	514	479	1,156
	596	168	318	1,082	1,410	514	479	2,403

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021				Half year ended December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in 000)				(Rupees in 000)			
Net income for the period after taxation	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,014</b>	<b>910</b>	<b>1,113</b>	<b>4,037</b>	<b>5,504</b>	<b>2,558</b>	<b>1,873</b>	<b>9,935</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2021

	Quarter ended December, 2021				Quarter ended December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in 000)				(Rupees in 000)			
Net income for the period after taxation	596	168	318	1,082	2,063	830	805	3,698
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>596</b>	<b>168</b>	<b>318</b>	<b>1,082</b>	<b>2,063</b>	<b>830</b>	<b>805</b>	<b>3,698</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2021			For the half year ended December 31, 2021			For the half year ended December 31, 2021			Total		
	NICPP-III			NICPP-IV			NICPP-V					
	Capital value	Undistributed income	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	(Accumulated losses) / undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period (audited)	77,082	1,840	78,922	50,841	(3,342)	47,499	56,616	(2,664)	53,952	184,539	(4,166)	180,373
Issuance of units:												
NICPP-III: Nil / NICPP-IV: Nil / NICPP-V: Nil												
- Capital value (at ex- net asset value per unit)	-	-	-	-	-	-	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of units:												
NICPP-III: 255,442 units / NICPP-IV: 36,868 units / NICPP-V: 207,746 units												
- Capital value (at ex- net asset value per unit)	(25,821)	-	(25,821)	(3,656)	-	(3,656)	(20,477)	-	(20,477)	(49,954)	-	(49,954)
- Element of loss	-	(1,014)	(1,014)	-	(88)	(88)	-	(465)	(465)	-	(1,567)	(1,567)
Total payments on redemption of units	(25,821)	(1,014)	(26,835)	(3,656)	(88)	(3,744)	(20,477)	(465)	(20,942)	(49,954)	(1,567)	(51,521)
Total comprehensive income for the period	-	2,014	2,014	-	910	910	-	1,113	1,113	-	4,037	4,037
Net assets at the end of the period (un-audited)	51,261	2,840	54,101	47,185	(2,520)	44,665	36,139	(2,016)	34,123	134,585	(1,696)	132,889
Undistributed income / (accumulated loss) brought forward												
- Realised loss		(835)			(3,523)			(2,778)				
- Unrealised income		2,675			181			114				
		1,840			(3,342)			(2,664)				
Accounting income available for distribution												
- Relating to capital gains	1,000			656			648					
- Excluding capital gains	-			166			-					
	1,000			822			648					
Undistributed income / (accumulated loss) carried forward	2,840			(2,520)			(2,016)					
Undistributed income / (accumulated loss) carried forward												
- Realised income / (loss)	2,646			(2,661)			(2,006)					
- Unrealised income / (loss)	194			141			(10)					
	2,840			(2,520)			(2,016)					
Net asset value per unit as at the beginning of the period	Rupees 101.0840			Rupees 99.1553			Rupees 98.5671					
Net asset value per unit as at the end of the period	102.9882			101.0148			100.4764					

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2020			For the half year ended December 31, 2020			For the half year ended December 31, 2020			Total		
	NICPP-III			NICPP-IV			NICPP-V					
	Capital value	Undistributed income	Total	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total	Capital value	(Accumulated losses) / undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period (audited)	151,051	331	151,382	149,402	(3,455)	145,947	93,046	(2,812)	90,234	393,499	(5,936)	387,563
Issuance of units:												
NICPP-III: Nil / NICPP-IV: Nil												
/ NICPP-V: Nil												
- Capital value (at ex- net asset value per unit)	-	-	-	-	-	-	-	-	-	-	-	-
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of units:												
NICPP-III: 581,815 units / NICPP-IV: 864,963 units /												
NICPP-V: 291,778 units												
- Capital value (at ex- net asset value per unit)	(57,636)	-	(57,636)	(85,554)	-	(85,554)	(28,679)	-	(28,679)	(171,869)	-	(171,869)
- Element of loss	-	(1,356)	(1,356)	-	(1,062)	(1,062)	-	(407)	(407)	-	(2,825)	(2,825)
Total payments on redemption of units	(57,636)	(1,356)	(58,992)	(85,554)	(1,062)	(86,616)	(28,679)	(407)	(29,086)	(171,869)	(2,825)	(174,694)
Total comprehensive income for the period	-	5,504	5,504	-	2,558	2,558	-	1,873	1,873	-	9,935	9,935
Net assets at the end of the period (un-audited)	93,415	4,479	97,894	63,848	(1,959)	61,889	64,367	(1,346)	63,021	221,630	1,174	222,804
Undistributed income / (accumulated loss) brought forward												
- Realised income / (loss)		370			(3,465)			(2,812)				
- Unrealised (loss) / income		(39)			10			-				
		331			(3,455)			(2,812)				
Accounting income available for distribution												
- Relating to capital gains		3,419			20			41				
- Excluding capital gains		729			1,476			1,425				
		4,148			1,496			1,466				
Undistributed income / (accumulated loss) carried forward		4,479			(1,959)			(1,346)				
Undistributed income / (accumulated loss) carried forward												
- Realised income / (loss)		1,466			(1,959)			(1,346)				
- Unrealised income		3,013			-			-				
		4,479			(1,959)			(1,346)				
Net asset value per unit as at the beginning of the period	Rupees 99.0600			Rupees 98.9102			Rupees 98.2859					
Net asset value per unit as at the end of the period	103.4424			101.3607			100.6257					

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021				Half year ended December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note	(Rupees in 000)				(Rupees in 000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net profit for the period before taxation	2,014	910	1,113	4,037	5,504	2,558	1,873	9,935
<b>Adjustments</b>								
Unrealised (appreciation) / diminution on re-measurement of investments 'financial assets at fair value through profit or loss' - net	5.2	(194)	(141)	10	(325)	(3,013)	-	(3,013)
Dividend income		(468)	(458)	(507)	(1,433)	-	(2,534)	(1,821)
Profit on bank balances		(156)	(116)	(109)	(381)	(3,327)	(763)	(699)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	9.1	(608)	(205)	(157)	(970)	112	52	38
Amortisation of preliminary expenses and floatation cost	6.1	-	-	-	-	114	121	235
		(1,426)	(920)	(763)	(3,109)	(6,228)	(3,131)	(2,361)
<b>Decrease / (increase) in assets</b>								
Investments		27,776	7,172	17,577	52,525	(9,209)	(56,236)	(54,673)
Preliminary expenses and floatation costs		-	-	-	-	114	121	235
Prepayments and other receivables		(5)	(5)	(5)	(15)	(5)	(5)	(15)
		27,771	7,167	17,572	52,510	(9,214)	(56,127)	(54,557)
<b>(Decrease) / increase in liabilities</b>								
Payable to NBP Fund Management Limited - the Management Company		(2)	-	(5)	(7)	(106)	(151)	(74)
Payable to Central Depository Company of Pakistan Limited - the Trustee		(3)	-	(1)	(4)	(5)	(6)	(2)
Payable to the Securities and Exchange Commission of Pakistan		(14)	(11)	(8)	(33)	(42)	(26)	(14)
Dividend payable		(189)	(158)	(35)	(382)	-	-	-
Accrued expenses and other liabilities		(635)	(440)	(387)	(1,462)	(1,141)	(844)	(695)
		(843)	(609)	(436)	(1,888)	(1,294)	(1,027)	(785)
Dividend received		468	458	507	1,433	-	2,534	1,821
Profit received on bank balances		156	123	104	383	4,007	1,679	1,214
		28,140	7,129	18,097	53,366	(7,225)	(53,514)	(52,795)
<b>Net cash generated from / (used in) operating activities</b>								
		28,140	7,129	18,097	53,366	(7,225)	(53,514)	(52,795)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Net payments against redemption of units		(26,835)	(3,744)	(20,942)	(51,521)	(62,793)	(86,034)	(29,086)
<b>Net cash used in financing activities</b>								
		(26,835)	(3,744)	(20,942)	(51,521)	(62,793)	(86,034)	(29,086)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>								
		1,305	3,385	(2,845)	1,845	(70,018)	(139,548)	(81,881)
Cash and cash equivalents at the beginning of the period		6,359	1,728	5,141	13,228	148,544	145,505	88,582
<b>Cash and cash equivalents at the end of the period</b>	4	7,664	5,113	2,296	15,073	78,526	5,957	6,701
		7,664	5,113	2,296	15,073	78,526	5,957	6,701

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Active Allocation Fund-III (the Fund) is an open ended mutual fund constituted under a Trust Deed entered 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 under the Trust Act, 1882 on March 30, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 28, 2018.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 15, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 (the SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open end Shariah compliant fund of funds 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 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 23, 2018 (NICPP - III), September 15, 2018 (NICPP - IV) and December 18, 2018 (NICPP - V) and are transferable and redeemable by surrendering them to the Fund.

The objective of NAFA Islamic Active Allocation Fund-III is to earn a potentially high return through dynamic asset allocation between Shariah compliant dedicated equity and money market based collective investment schemes, while providing capital preservation of the initial investment value including sales load at completion of twenty four months and beyond. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2021: AM1) on June 23, 2021. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has not been rated yet.

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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 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.

**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the 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.

**2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2021.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN**

**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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the annual audited 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 annual audited financial statements as at and for the year ended June 30, 2021.

### **3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period:**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### **3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective:**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

## **4 BANK BALANCES**

	Note	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
		(Rupees in 000)				(Rupees in 000)			
Balances with banks in:									
Savings accounts	4.1	7,585	4,846	1,725	14,156	6,280	1,461	4,570	12,311
Current accounts		79	267	571	917	79	267	571	917
		<u>7,664</u>	<u>5,113</u>	<u>2,296</u>	<u>15,073</u>	<u>6,359</u>	<u>1,728</u>	<u>5,141</u>	<u>13,228</u>



- 4.1 These carry profits at rates ranging from 6.5% to 11% (June 30, 2021: 3.75% to 7.4%) per annum for NICPP - III, 6.5% to 11% (June 30, 2021: 3.75% to 7.4%) per annum for NICPP - IV and 6.5% to 11% (June 30, 2021: 3.75% to 7.4%) for NICPP - V.

## 5 INVESTMENTS

		December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note		----- (Rupees in 000) -----				----- (Rupees in 000) -----			
<b>Financial assets at 'fair value through profit or loss'</b>									
- Units of open ended mutual funds	5.1	46,617	39,989	31,813	118,419	74,199	46,100	49,400	169,699

### 5.1 Investment in units of open end mutual funds - related parties

#### 5.1.1 NAFA Islamic Capital Preservation Plan - III

Name of the investee funds	Number of units				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of net assets of the Plan	Market value as a percentage of total investments of the Plan
	As at July 1, 2021	Purchased / Dividend re-invested during the period	Redeemed during the period	As at December 31, 2021				
					----- (Rupees in 000) -----		----- % -----	
NBP Islamic Active Allocation Equity Fund	2,147,932	1,335,387	1,839,952	1,643,367	19,339	19,489	36.02%	41.81%
NBP Islamic Money Market Fund	4,928,844	1,209,661	5,775,078	363,427	3,748	3,792	7.01%	8.13%
NBP Islamic Daily Dividend Fund	-	2,333,551	-	2,333,551	23,336	23,336	43.13%	50.06%
As at December 31, 2021 (un-audited)				4,340,345	46,423	46,617	86.16%	100%
As at June 30, 2021 (audited)				7,076,776	71,524	74,199	94.02%	100%

#### 5.1.2 NAFA Islamic Capital Preservation Plan - IV

Name of the investee funds	Number of units				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of net assets of the Plan	Market value as a percentage of total investments of the Plan
	As at July 1, 2021	Purchased / Dividend re-invested during the period	Redeemed during the period	As at December 31, 2021				
					----- (Rupees in 000) -----		----- % -----	
NBP Islamic Active Allocation Equity Fund	587,282	747,369	572,992	761,659	9,116	9,033	20.22%	22.59%
NBP Islamic Money Market Fund	3,915,905	451,567	3,590,724	776,748	7,882	8,106	18.15%	20.27%
NBP Islamic Daily Dividend Fund	-	2,284,978	-	2,284,978	22,850	22,850	51.16%	57.14%
As at December 31, 2021 (un-audited)				3,823,385	39,848	39,989	89.53%	100%
As at June 30, 2021 (audited)				4,503,187	45,919	46,100	97.06%	100%



## 5.1.3 NBP Islamic Capital Preservation Plan - V

Name of the investee funds	Number of units				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of net assets of the Plan	Market value as a percentage of total investments of the Plan
	As at July 1, 2021	Purchased / Dividend re-invested during the period	Redeemed during the period	As at December 31, 2021				
					----- (Rupees in 000) -----		----- % -----	
NBP Islamic Active Allocation Equity Fund	407,422	511,093	469,234	449,281	5,349	5,328	15.61%	16.75%
NBP Islamic Money Market Fund	4,449,786	313,639	4,651,013	112,412	1,162	1,173	3.44%	3.69%
NBP Islamic Daily Dividend Fund	-	2,531,211	-	2,531,211	25,312	25,312	74.18%	79.57%
As at December 31, 2021 (un-audited)				3,092,904	31,823	31,813	93.23%	100.01%
As at June 30, 2021 (audited)				4,857,208	49,286	49,400	91.56%	100%

## 5.2 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note ----- (Rupees in 000) -----				----- (Rupees in 000) -----			

Market value of investments	5.1	46,617	39,989	31,813	118,419	74,199	46,100	49,400	169,699
Less: carrying value of investments	5.1	(46,423)	(39,848)	(31,823)	(118,094)	(71,524)	(45,919)	(49,286)	(166,729)
		194	141	(10)	325	2,675	181	114	2,970

## 6 PRELIMINARY EXPENSES AND FLOATATION COSTS

December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
NICPP -III	NICPP -IV	NICPP -V	Total	NICPP -III	NICPP -IV	NICPP -V	Total
Note ----- (Rupees in '000) -----				-----			

At the beginning of the period / year	-	-	-	-	-	114	121	235
Less: amortisation during the period / year	-	-	-	-	-	(114)	(121)	(235)
At the end of the period / year	6.1	-	-	-	-	-	-	-

### 6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.



## 7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY

		December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
		NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note		----- (Rupees in 000) -----				----- (Rupees in 000) -----			
Remuneration payable to the Management Company	7.1	7	4	2	13	4	3	3	10
Sindh sales tax payable on remuneration of the Management Company	7.2	1	1	-*	2	1	-*	-*	1
Reimbursement of allocated expenses payable	7.3	16	11	10	37	21	13	14	48
Other payable		28	24	29	81	28	24	29	81
		52	40	41	133	54	40	46	140

\* Nil due to rounding off

- 7.1** The Management Company has charged its remuneration at the rate of 1% per annum of the average net assets after deducting market value of investments in collective investment schemes (June 30, 2021: 1% per annum of the average net assets after deducting market value of investments in collective investment schemes) during the current period. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** During the period, an amount of Rs. 0.003 million (December 31, 2020: Rs 0.070 million) NICPP III, Rs. 0.002 million (December 31, 2020: Rs 0.016 million) NICPP IV and Rs. 0.002 million (December 31, 2020: Rs 0.014 million) NICPP V, was charged on account of sales tax at the rate of 13% (December 31, 2020: 13%) on management fee levied through Sindh Sales Tax on Services Act, 2011.
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has currently fixed a maximum capping of 0.1% (June 30, 2021: 0.1%) of the average annual net assets of the scheme for allocation of such expenses during the period.

## 8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)				
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total	
Note	----- (Rupees in 000) -----				----- (Rupees in 000) -----				
Annual fee payable	8.1	7	5	5	17	21	16	13	50

- 8.1** Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (June 30, 2021: 0.02%) of the average annual net assets of the Fund.



## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
Note	(Rupees in 000)				(Rupees in 000)			
Auditors' remuneration payable	224	217	230	671	280	269	283	832
Printing charges payable	29	28	30	87	27	25	28	80
Legal and professional charges payable	88	98	97	283	84	81	82	247
Withholding tax payable	7	5	8	20	616	433	343	1,392
Provision for Sindh Workers' Welfare Fund	9.1	-	-	-	608	205	157	970
Shariah advisor fee payable	8	6	4	18	15	11	11	37
Bank charges payable	28	62	48	138	3	37	57	97
Other payable	6	-	-	6	-	-	-	-
	390	416	417	1,223	1,633	1,061	961	3,655

- 9.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 0.97 million recognised in these condensed interim financial statements of the Fund, for the period from April 27, 2018 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

## 10 CONTINGENCIES AND COMMITMENTS

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

## 11 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.



## 12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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, therefore, no provision for taxation has been made in these condensed financial statements during the period.

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.

## 13 EARNINGS PER UNIT

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.55% (December 31, 2020: 2.02%) - NICPP - III, 2.27% (December 31, 2020: 1.45%) - NICPP - IV and 2.25% (December 31, 2020: 1.72%) - NICPP - V which includes 0.04% (December 31, 2020: 0.33%) - NICPP - III, 0.04% (December 31, 2020: 0.16%) - NICPP - IV and 0.04% (December 31, 2020: 0.16%) - NICPP - V, representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 2.5% (December 31, 2020: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a fund of funds scheme.

## 15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1 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, 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.
- 15.2 Transactions with related parties / connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.5 Allocated expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.



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

	Un-audited				Un-audited			
	December 31, 2021				December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in '000)				(Rupees in '000)			
<b>NBP Fund Management Limited - the Management Company</b>								
Remuneration of the Management Company	26	17	19	62	537	121	109	767
Sindh sales tax on remuneration of Management Company	3	2	2	7	70	16	14	100
Allocated expenses	36	23	23	82	62	52	40	154
<b>Central Depository Company of Pakistan Limited - the Trustee</b>								
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	25	16	16	57	43	37	28	108
Sindh sales tax on remuneration of the Trustee	3	2	2	7	6	5	4	15
<b>Investment in NBP Islamic Active Allocation Equity Fund</b>								
Units purchased:	16,277	9,179	6,239	31,695	12,603	-	-	12,603
- 1,335,387 units (December 31, 2020: 1,239,049 units) (NICPP - III)								
- 747,369 units (December 31, 2020: Nil) (NICPP - IV)								
- 511,093 (December 31, 2020: Nil) (NICPP - V)								
Units sold:	21,841	6,729	5,578	34,148	3,800	818	1,688	6,306
- 1,839,952 units (December 31, 2020: 368,686 units) (NICPP - III)								
- 572,992 units (December 31, 2020: 91,674 units) (NICPP - IV)								
- 469,234 units (December 31, 2020: 189,245 units units) (NICPP - V)								
<b>Investment in NBP Islamic Money Market Fund</b>								
Units purchased:	12,417	4,645	3,222	20,284	-	-	-	-
- 1,209,661 units (December 31, 2020: Nil) (NICPP - III)								
- 451,567 units (December 31, 2020: Nil) (NICPP - IV)								
- 313,639 units (December 31, 2020: Nil) (NICPP - V)								





	----- Un-audited -----				----- Un-audited -----			
	December 31, 2021				December 31, 2020			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in '000)				(Rupees in '000)			
Units sold:	59,104	36,712	47,644	143,460	-	-	-	-
- Nil (December 31, 2020: Nil) (NICPP - III)								
- Nil (December 31, 2020: 7,800,000 units) (NICPP - IV)								
- Nil (December 31, 2020: 2,500,000 units) (NICPP - V)								
<b>Investment in NBP Islamic Daily Dividend Fund</b>								
Dividend income	468	458	507	1,433	-	2,534	1,821	4,355
Units purchased:	22,868	22,392	24,805	70,065	-	132,500	79,500	212,000
- 2,286,800 units (December 31, 2020: Nil) (NICPP - III)								
- 2,239,200 units (December 31, 2020: 13,250,000 units) (NICPP - IV)								
- 2,480,500 units (December 31, 2020: 7,950,000 units) (NICPP - V)								
Dividend reinvest units:	468	458	507	1,433	-	2,534	1,821	4,355
- 46,751 units (December 31, 2020: Nil units) (NICPP - III)								
- 45,778 units (December 31, 2020: 253,386 units) (NICPP - IV)								
- 50,711 units (December 31, 2020: 182,123 units) (NICPP - V)								
Units sold:	-	-	-	-	-	78,000	25,000	103,000
- Nil (December 31, 2020: Nil) (NICPP - III)								
- Nil (December 31, 2020: 7,800,000 units) (NICPP - IV)								
- Nil (December 31, 2020: 2,500,000 units) (NICPP - V)								
<b>PITC Employees Trust (Pension) Fund - unit holder with more than 10% holding*</b>								
Units redeemed / transferred out:	-	-	-	-	-	46,344	-	46,344
- Nil (December 31, 2020: 462,830 units) (NICPP - IV)								
<b>Pakistan Stock Exchange Limited*</b>								
Listing fee paid	-	-	-	-	8	8	9	25

\* Current period figures have not been presented as the person is not a related party / connected person as at December 31, 2021.



**15.7 Amounts / balances outstanding as at period / year end are as follows:**

	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in 000)				(Rupees in 000)			
<b>NBP Fund Management Limited -</b>								
<b>the Management Company</b>								
Remuneration payable to the								
Management Company	7	4	2	13	4	3	3	10
Sindh sales tax payable on remuneration	1	1	-***	2	1	-***	-***	1
Reimbursement of allocated								
expenses payable	16	11	10	37	21	13	14	48
Other payable	28	24	29	81	28	24	29	81
<b>Central Depository Company of Pakistan</b>								
<b>Limited - the Trustee</b>								
Remuneration payable	3	3	2	8	5	3	3	11
Sindh sales tax payable on								
remuneration of the Trustee	-***	-***	-***	-***	1	-***	-***	1
<b>IM Sciences Trust - unit holder with more than</b>								
<b>10% holding</b>								
Units held: 103,676 units (June 30, 2021:	-	-	10,417	10,417	-	-	10,219	10,219
103,676 units) (NICPP - V)								
<b>Station Head Quarter Rawalpindi - unit</b>								
<b>holder with more than 10% holding*</b>								
Units held:	-	-	-	-	15,274	-	10,279	25,553
-Nil (June 30, 2021: 151,100 units) (NICPP - III)								
-Nil (June 30, 2021: 104,286 units) (NICPP - V)								
<b>NBP Islamic Active Allocation Equity Fund</b>								
Investment in:	19,489	9,033	5,328	33,850	24,662	6,744	4,678	36,084
- 1,643,367 units (June 30, 2021: 2,147,932								
units) (NICPP - III),								
- 761,659 units (June 30, 2021: 587,282 units)								
(NICPP - IV) and								
- 449,281 units (June 30, 2021: 407,422 units)								
(NICPP - V)								
<b>NBP Islamic Money Market Fund</b>								
Investment in:								
- 363,427 units (June 30, 2021:	3,792	8,106	1,173	13,071	49,537	39,356	44,722	133,615
4,928,844 units) (NICPP - III),								
- 776,748 units (June 30, 2021:								
3,915,905 units) (NICPP - IV) and								
- 112,412 units (June 30, 2021:								
4,449,786 units) (NICPP - V)								



	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
	NICPP-III	NICPP-IV	NICPP-V	Total	NICPP-III	NICPP-IV	NICPP-V	Total
	(Rupees in 000)				(Rupees in 000)			
<b>NBP Islamic Daily Dividend Fund</b>								
Investment in:	23,336	22,850	25,312	71,498	-	-	-	-
- 2,333,551 units (June 30, 2021: Nil) (NICPP - III),								
- 2,284,978 units (June 30, 2021: Nil) (NICPP - IV) and								
- 2,531,211 units (June 30, 2021: Nil) (NICPP - V)								
<b>Amir Shah Durrani - unit holder with more than 10% holding</b>								
Units held: 51,689 units (June 30, 2021: 51,689 units) (NICPP - IV)	-	5,221	-	5,221	-	5,125	-	5,125
<b>Tanveer Ahmad - unit holder with more than 10% holding</b>								
Units held: 48,478 units (June 30, 2021: 48,478 units) (NICPP - IV)	-	4,897	-	4,897	-	4,807	-	4,807
<b>Welfare Fund Account 25 Signal Battalion - unit holder with more than 10% holding</b>								
Units held: 65,198 units (June 30, 2021: 65,198 units) (NICPP - IV)	-	6,586	-	6,586	-	6,465	-	6,465
<b>BN Fund Account 3 Commando SSG - unit holder with more than 10% holding**</b>								
Units held: 75,523 units (June 30, 2021: Nil) (NICPP - III)	7,778	-	-	7,778	-	-	-	-

\* Current period figures have not been presented as the person is not a related party / connected person as at December 31, 2021.

\*\* Prior period figures have not been presented as the person was not a related party / connected person as at June 30, 2021.

\*\*\* Nil due to rounding off.

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be



significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

## 16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

## 16.2 NAFA Islamic Capital Preservation Plan - III

	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	------(Rupees in 000)-----				------(Rupees in 000)-----			
<b>ASSETS</b>								
Financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	46,617	-	46,617	-	74,199	-	74,199

## 16.3 NAFA Islamic Capital Preservation Plan - IV

	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	------(Rupees in 000)-----				------(Rupees in 000)-----			
<b>ASSETS</b>								
Financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	39,989	-	39,989	-	46,100	-	46,100

## 16.4 NBP Islamic Capital Preservation Plan - V

	December 31, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	------(Rupees in 000)-----				------(Rupees in 000)-----			
<b>ASSETS</b>								
Financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	31,813	-	31,813	-	49,400	-	49,400



## **17 GENERAL**

- 17.1** Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

## **18 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 23, 2022.

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

 /nbpfunds



# NBP ISLAMIC MAHANA AMDANI FUND

HALF YEARLY REPORT  
DECEMBER 31, 2021





# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
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

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

**Auditors**

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

**Legal Advisor**

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Fax: (021) 35825329  
Website: [www.nbpffunds.com](http://www.nbpffunds.com)

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**Multan Office:**

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Phone No. : 061-4540301-6, 061-4588661-2 & 4



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Mahana Amdani Fund (NIMAF)** for the half year ended December 31, 2021.

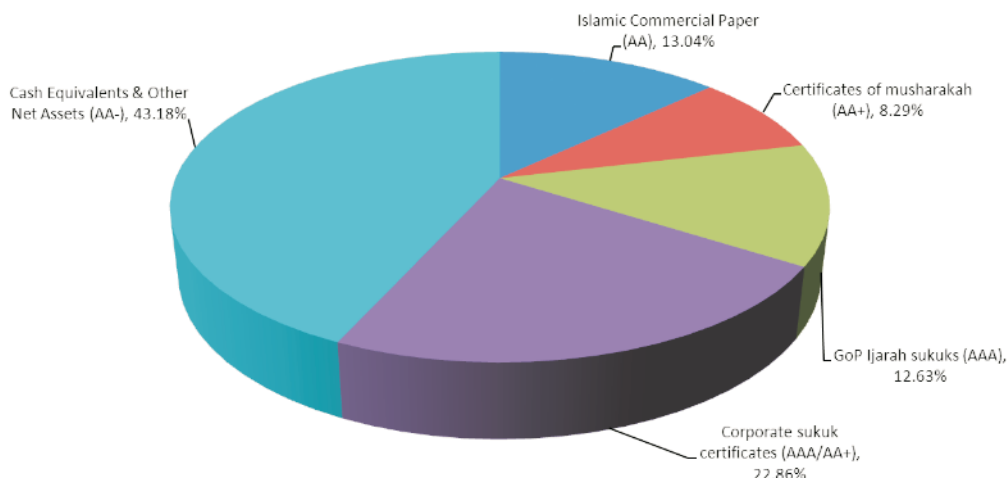
### Fund's Performance

In terms of issuance of fresh corporate sukuk, the market witnessed low activity in the primary market against a large and growing demand. In the secondary market, a value of Rs. 2.2 billion was traded against Rs. 10.9 billion in the same period last year. During 1HFY22, the Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%; in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic demand growth. SBP expects inflation to average 9% - 11% during the fiscal year due to the rise in utility charges, motor fuel, house rent, milk, and other household consumables. However, in the near-term, MPC expects monetary policy settings to remain broadly unchanged.

NIMAF is categorized as a Shariah Compliant Income Fund. The Fund aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A- or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

The size of NBP Islamic Mahana Amdani Fund has decreased from Rs. 15,085 million to Rs. 12,962 million during the period, a decline of 14%. The unit price of the Fund has increased from Rs. 10.0493 on June 30, 2021 to Rs. 10.4418 on December 31, 2021, thus showing return of 7.7% p.a. as compared to its benchmark return of 3.1% 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 has earned a total income of Rs. 611.029 million during the period. After deducting total expenses of Rs. 89.271 million, the net income is Rs. 521.758 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMAF:





## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive**

**Director**

Date: **February 23, 2022**  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (NIMAF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

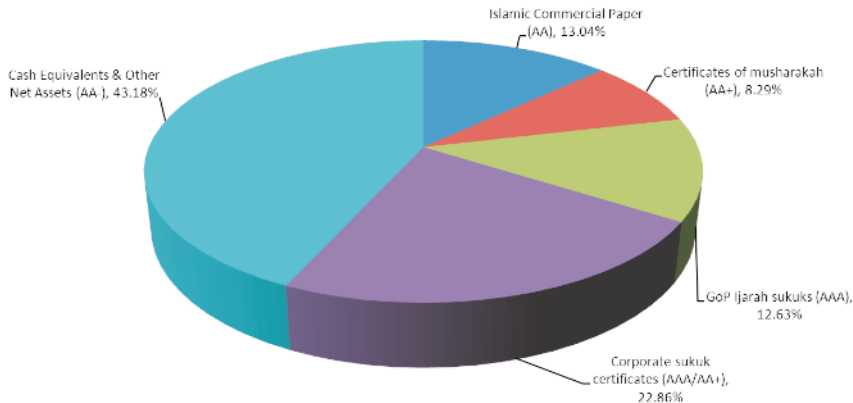
نئے کارپوریٹ سکوک کے اجراء کے لحاظ سے، مارکیٹ نے بنیادی مارکیٹ میں بڑھتی ہوئی زیادہ طلب کے مقابلے کم سرگرمی کا مشاہدہ کیا ہے۔ ثانوی مارکیٹ میں، گزشتہ سال کی اسی مدت میں 10.9 بلین روپے کے مقابلے 2.2 بلین روپے کی قیمت کی تجارت کی گئی۔ 1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراط زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 پیسہ کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراط زر عالمی قیمتیں اور مقامی طلب نمودار زیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ یوٹیلٹی چارجز، موٹر فیول، ہاؤس رینٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران افراط زر اوسطاً 11%-9% رہنے کی امید ہے۔ تاہم، قریب مدت میں، MPC کو توقعات ہیں کہ مانیٹری پالیسی بڑے پیمانے پر تبدیل نہیں ہوگی۔

NIMAF شریعت کے مطابق انکم فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شریعتی مطابقت پذیر بنی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کر کے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی-A، جبکہ فنڈ اسلامی بینکوں، اسلامی شناختوں/روایتی بینکوں کی وٹڈ آسان فراہمی کرنے کے ساتھ سرمایہ کاری کرنے کی اجازت دی جاتی ہے۔ فنڈ شریعت کے مطابق Money Market Instruments اور Debt Securities میں سرمایہ کاری کرنے کی اجازت دیتا ہے جو-A یا اس سے بہتر ہو۔ فنڈ ایکویٹیز میں سرمایہ کاری کرنے کا اختیار نہیں رکھتا۔ فنڈ کی اوسط مچھوڑی گورنمنٹ سکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 15,085 ملین روپے سے کم ہو کر 12,962 ملین روپے ہو گیا ہے یعنی 14% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.0493 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 10.4418 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 3.1% کے مقابلے میں 7.7% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ وکرز ویلفیئر فنڈ کی پروویڈنٹ ریسرچ کر دی گئی۔ اس پروویڈنٹ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے موجودہ مدت کے دوران 611.029 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 89.271 ملین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 521.758 ملین روپے ہے۔

درج ذیل چارٹ NIMAF کی ایسٹ بلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ منجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

مقام: کراچی





## TRUSTEE REPORT TO THE UNIT HOLDERS

### **Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Mahana Amdani Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 25, 2022



## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Mahana Amdani Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2021, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 28, 2022

Karachi



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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	7,175,579	7,268,163
Investments	5	7,364,780	9,512,849
Profit receivable		132,672	127,154
Deposits, prepayments and other receivables		2,904	2,994
Receivable against transfer of units		1,345	105,380
Preliminary expenses and floatation costs	6	354	455
<b>Total assets</b>		<b>14,677,634</b>	<b>17,016,995</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	7	40,228	44,678
Payable to Central Depository Company of Pakistan Limited - the Trustee		933	1,188
Payable to the Securities and Exchange Commission of Pakistan	8	1,375	3,714
Payable against redemption of units		11,817	22,890
Payable against purchase of investments		1,656,228	1,660,562
Accrued expenses and other liabilities	9	5,487	199,157
<b>Total liabilities</b>		<b>1,716,068</b>	<b>1,932,189</b>
<b>NET ASSETS</b>		<b>12,961,566</b>	<b>15,084,806</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>12,961,566</b>	<b>15,084,806</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,241,321,133</b>	<b>1,501,086,720</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>	11	<b>10.4418</b>	<b>10.0493</b>

The annexed notes 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
Note	(Rupees in '000)			
<b>INCOME</b>				
Profit on bank balances	229,677	268,875	124,094	107,697
Income on sukuk certificates	187,332	206,761	97,464	110,872
Income on term deposit receipts	22,394	139,077	6,309	79,766
Income on Islamic commercial papers	54,304	88,573	30,260	31,895
Income on bai muajjal certificate	4,587	34,638	-	14,845
Income on certificates of musharakah	41,484	37,300	21,869	18,820
	539,778	775,224	279,996	363,895
Loss on sale of investments - net	(9,239)	(13,407)	(15,024)	(7,278)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	13,636	9,119	1,582	(5,476)
	4,397	(4,288)	(13,442)	(12,754)
<b>Total income</b>	544,175	770,936	266,554	351,141
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - the Management Company	14,379	20,860	6,796	9,723
Sindh sales tax on remuneration of the Management Company	1,869	2,712	883	1,264
Reimbursement of allocated expenses	8,592	10,942	4,212	5,709
Reimbursement of selling and marketing expenses	55,018	70,663	28,756	34,033
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	5,155	7,571	2,527	3,646
Sindh sales tax on remuneration of the Trustee	670	984	328	474
Annual fee of the Securities and Exchange Commission of Pakistan	1,375	2,019	674	972
Amortisation of preliminary expenses and floatation costs	101	101	50	50
Securities transaction cost	6	746	-	290
Auditors' remuneration	401	317	226	179
Legal and professional charges	271	52	236	42
Annual listing fee	14	14	7	7
Shariah advisor fee	936	1,224	338	525
Settlement and bank charges	343	641	206	272
Printing expenses	37	96	19	78
Annual rating fee	104	89	52	42
<b>Total operating expenses</b>	89,271	119,031	45,310	57,306
<b>Net income from operating activities</b>	454,904	651,905	221,244	293,835
Reversal of / (provision against) Sindh Workers' Welfare Fund - net	66,854	(13,038)	-	(5,877)
<b>Net income for the period before taxation</b>	521,758	638,867	221,244	287,958
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	521,758	638,867	221,244	287,958
<b>Earnings per unit</b>				
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	521,758	638,867	221,244	287,958
Income already paid on units redeemed	(100,340)	(197,327)	(67,050)	(124,113)
	421,418	441,540	154,194	163,845
<b>Accounting income available for distribution</b>				
- Relating to capital gains	4,397	-	-	-
- Excluding capital gains	417,021	441,540	154,194	163,845
	421,418	441,540	154,194	163,845

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director


**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	521,758	638,867	221,244	287,958
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>521,758</u>	<u>638,867</u>	<u>221,244</u>	<u>287,958</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
 (Management Company)

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	15,016,569	68,237	15,084,806	20,258,361	54,913	20,313,274
Issuance of 670,247,184 units (2020: 1,794,964,900 units)						
- Capital value (at ex-net asset value per unit)	6,735,515	-	6,735,515	18,021,986	-	18,021,986
- Element of income	123,897	-	123,897	277,710	-	277,710
Total proceeds on issuance of units	6,859,412	-	6,859,412	18,299,696	-	18,299,696
Redemption of 930,012,771 units (2020: 2,109,279,557 units)						
- Capital value (at ex-net asset value per unit)	(9,345,977)	-	(9,345,977)	(21,177,800)	-	(21,177,800)
- Element of loss	(58,093)	(100,340)	(158,433)	(162,180)	(197,327)	(359,507)
Total payments on redemption of units	(9,404,070)	(100,340)	(9,504,410)	(21,339,980)	(197,327)	(21,537,307)
Total comprehensive income for the period	-	521,758	521,758	-	638,867	638,867
Net assets at the end of the period (un-audited)	12,471,911	489,655	12,961,566	17,218,077	496,453	17,714,530
Undistributed income brought forward						
- Realised income		55,951			91,428	
- Unrealised gain / (loss)		12,286			(36,515)	
		68,237			54,913	
Accounting income available for distribution						
- Relating to capital gains		4,397			-	
- Excluding capital gains		417,021			441,540	
		421,418			441,540	
Undistributed income carried forward		489,655			496,453	
Undistributed income carried forward						
- Realised income		476,019			487,334	
- Unrealised income		13,636			9,119	
		489,655			496,453	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		10.0493			10.0403	
Net asset value per unit at the end of the period		10.4418			10.3662	

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2021

		Half year ended December 31,	
		2021	2020
Note		(Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Net income for the period before taxation	521,758	638,867
<b>Adjustments:</b>			
	Profit on bank balances	(229,677)	(268,875)
	Income on sukuk certificates	(187,332)	(206,761)
	Income on term deposit receipts	(22,394)	(139,077)
	Income on Islamic commercial papers	(54,304)	(88,573)
	Income on bai muajjal certificate	(4,587)	(34,638)
	Income on certificates of musharakah	(41,484)	(37,300)
	Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	5.7 (13,636)	(9,119)
	(Reversal of) / provision against Sindh Workers' Welfare Fund - net	9.1 (66,854)	13,038
	Amortisation of preliminary expenses and floatation costs	6.1 101	101
		(620,167)	(771,204)
<b>(Increase) / decrease in assets</b>			
	Investments - net	(1,142,629)	2,419,396
	Deposit, prepayment and other receivables	90	74
		(1,142,539)	2,419,470
<b>(Decrease) / increase in liabilities</b>			
	Payable to NBP Fund Management Limited - the Management Company	(4,450)	(11,514)
	Payable to Central Depository Company of Pakistan Limited - the Trustee	(255)	(285)
	Payable to the Securities and Exchange Commission of Pakistan	(2,339)	(1,769)
	Accrued expenses and other liabilities	(126,816)	(201,849)
		(133,860)	(215,417)
	Profit received on bank balances, sukuk certificates, term deposit receipts, bai muajjal certificate and certificates of musharakah	534,260	802,233
	<b>Net cash (used in) / generated from operating activities</b>	<b>(840,548)</b>	<b>2,873,949</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Net receipts from issuance of units	6,963,447	18,284,171
	Net payment against redemption of units	(9,515,483)	(21,408,393)
	Distributions paid	-	-
	<b>Net cash used in financing activities</b>	<b>(2,552,036)</b>	<b>(3,124,222)</b>
	<b>Net decrease in cash and cash equivalents during the period</b>	<b>(3,392,584)</b>	<b>(250,273)</b>
	Cash and cash equivalents at the beginning of the period	10,568,163	13,562,442
	<b>Cash and cash equivalents at the end of the period</b>	<b>7,175,579</b>	<b>13,312,169</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## **NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

### **1 LEGAL STATUS AND NATURE OF BUSINESS**

NBP Islamic Mahana Amdani Fund (the Fund) is an open end mutual fund constituted under a Trust Deed entered into on August 09, 2018 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 under the Trust Act, 1882 on August 9, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 07, 2018.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 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 Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities 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 October 07, 2018 and are transferable and redeemable by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2021: AM1) on June 23, 2021. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to A(f) (2021: A(f) on October 16, 2020) on October 18, 2021.

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

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

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





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

**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the 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.

**2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN**

**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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the annual audited 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 annual audited financial statements as at and for the year ended June 30, 2021.

#### **3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period:**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### **3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective:**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.



	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>4 BANK BALANCES</b>		<b>----- (Rupees in '000) -----</b>	
Balances with banks in:			
Savings accounts	4.1	7,122,314	7,217,975
Current accounts		53,265	50,188
		<u>7,175,579</u>	<u>7,268,163</u>

- 4.1** These include a balance of Rs 22.787 million (June 30, 2021: Rs 26.867 million) maintained with BankIslami Pakistan Limited (a related party) and balances of Rs 3.392 million (June 30, 2021: Rs 3.236 million) with National Bank of Pakistan Limited (a related party) that carry profit at the rate of 10.2% (June 30, 2021: 6.8%) per annum and 6.5% (June 30, 2021: 4.50%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 6.5% to 11.25% (June 30, 2021: 4.50% to 7.4%) per annum.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>4.2 Cash and cash equivalents:</b>		<b>----- (Rupees in '000) -----</b>	
Bank balances	4	7,175,579	7,268,163
Term deposit receipts	5.5	-	3,300,000
		<u>7,175,579</u>	<u>10,568,163</u>

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>5 INVESTMENTS</b>		<b>----- (Rupees in '000) -----</b>	
<b>At fair value through profit or loss</b>			
GoP Ijarah sukuk certificates	5.1	1,636,561	1,645,614
Corporate sukuk certificates	5.2	2,963,368	2,751,498
Bai muajjal	5.3	-	-
Islamic commercial papers	5.4	1,689,747	715,535
Term deposit receipts	5.5	-	3,300,000
Certificates of musharakah	5.6	1,075,104	1,100,202
		<u>7,364,780</u>	<u>9,512,849</u>

## 5.1 GoP Ijarah sukuk certificates

Name of security	Profit payments/ principal redemptions	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold / redeemed during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation	Percentage in relation to	
											total market value of investment	net assets of the Fund
				----- Number of certificates -----				----- (Rupees in '000) -----				----- % -----
GOP Ijarah sukuk XVIII (Face value of Rs 100,000 per certificate)	Semi-annually	April 30, 2025	Weighted average 6 months T-Bills	8,655	8,655	8,655	8,655	835,034	835,121	87	11.34%	6.44%
GOP Ijarah sukuk XIX (Face value of Rs 100,000 per certificate)	Semi-annually	May 29, 2025	Weighted average 6 months T-Bills	8,000	8,000	8,000	8,000	801,440	801,440	-	10.88%	6.18%
Total as at December 31, 2021 (un-audited)								1,636,474	1,636,561	87	22.22%	12.62%
Total as at June 30, 2021 (audited)								1,645,441	1,645,614	173	10.91%	17.30%



## 5.2 Corporate sukuk certificates

Name of security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold / redeemed during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Percentage in relation to			
														Total market value of investment	Net assets of the Fund
					----- Number of certificates -----				----- (Rupees in '000) -----				----- % -----		
Commercial banks															
Meezan Bank Limited Sukuk IV (traded) (Face value of Rs 1,000,000 per certificate)	AAA, VIS	Semi-annually	December 16, 2031	6 months KIBOR plus base rate of 0.35%	-	170	-	170	172,975	175,950	2,975	2.39%	1.36%		
Power generation and distribution															
Pakistan Energy Sukuk-II (Face value of Rs 5,000 per certificate)	Unrated	Semi-annually / At maturity	May 21, 2030	6 months KIBOR minus base rate of 0.10%	230,000	-	-	230,000	1,159,200	1,167,250	8,050	15.85%	9.01%		
The Hub Power Company Limited Sukuk (traded) (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	March 19, 2024	1 year KIBOR plus base rate of 1.9%	6,500	-	-	6,500	665,600	666,250	650	9.05%	5.14%		
Hub Power Holdings Limited Sukuk (non-traded) (Face value of Rs 100,000 per certificate) (note 5.2.1)	AA+, PACRA	Semi-annually	November 12, 2025	6 months KIBOR plus base rate of 2.5%	5,700	-	-	5,700	529,088	529,088	-	7.18%	4.08%		
K-Electric Limited - Sukuk V (traded) (Face value of Rs 5,000 per certificate)	AA+, VIS	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.7%	83,300	-	-	83,300	422,956	424,830	1,874	5.77%	3.28%		
Total as at December 31, 2021 (un-audited)									2,949,819	2,963,368	13,549	40.24%	22.87%		
Total as at June 30, 2021 (audited)									2,739,385	2,751,498	12,113	18.23%	28.94%		

5.2.1 Sukuk certificates of Hub Power Holdings Limited are carried at their carrying amount as they are not valued by MUFAP / at PKISRV.

## 5.3 Bai muajjal

Name of the counterparty	Rating	Maturity date	Profit rate	Total Transaction Price	Deferred Income	Accrued Profit	Carrying value
				(Rupees in '000)			
COMMERCIAL BANKS							
Samba Bank Limited	AA, VIS	September 28, 2021	7.10%	496,440	-	-	-
Total as at December 31, 2021 (un-audited)				496,440	-	-	-
Total as at June 30, 2021 (audited)							-



## 5.4 Islamic commercial papers

Name of security	Rating	Face value				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation	Market value as a percentage of total investments	Market value as a percentage of net assets	
		As at July 1, 2021	Purchased during the period	Matured during the period	As at December 31, 2021						
		(Rupees in '000)							%		
Power generation and distribution											
K-Electric Limited ICP - 16	A-1+, PACRA	280,000	500,000	780,000	-	-	-	-	-	-	
K-Electric Limited ICP - 17	A-1+, VIS	450,000	-	450,000	-	-	-	-	-	-	
K-Electric Limited ICP - 20	A-1+, VIS	-	550,000	-	550,000	546,969	546,969	-	7.43%	4.22%	
K-Electric Limited ICP - 22	AA, PACRA	-	300,000	-	300,000	293,525	293,525	-	3.99%	2.26%	
Lucky Electric Power Company Limited ICP - 1	AA-, PACRA	-	730,000	-	730,000	706,494	706,494	-	9.59%	5.45%	
ENGINEERING											
Mughal Iron & Steel Industries Limited ICP - 1	A-2, VIS	-	150,000	-	150,000	142,759	142,759	-	1.94%	1.10%	
Total as at December 31, 2021 (un-audited)						1,689,747	1,689,747	-	22.95%	13.03%	
Total as at June 30, 2021 (audited)						715,535	715,535	-	7.52%	4.74%	

5.4.1 These carry yield ranging from 8.12% to 9.54%% per annum and are due to mature latest by July 21, 2022.

## 5.5 Term deposit receipts

Name of investee company	Rating	Maturity date	Profit rate	As at July 01, 2021	Purchased during the period	Matured during the period	As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
----- (Rupees in '000) ----- % -----											
COMMERCIAL BANKS											
United Bank Limited - Islamic Banking	AAA, VIS	July 17, 2021	6.90%	2,600,000	-	2,600,000	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A+, PACRA	July 29, 2021	7.30%	700,000	-	700,000	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A+, PACRA	August 27, 2021	7.00%	-	700,000	700,000	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A+, PACRA	October 27, 2021	7.45%	-	500,000	500,000	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A+, PACRA	November 30, 2021	7.80%	-	503,062	503,062	-	-	-	-	-
Total as at December 31, 2021 (un-audited)								-	-	-	-
Total as at June 30, 2021 (audited)								3,300,000	3,300,000	31.97%	21.88%

## 5.6 Certificates of musharakah

Name of investee company	Rating of investee company	Maturity date	Profit rate	As at July 1, 2021	Placed during the period	Matured during the period	Market value as at December 31, 2021	Percentage in relation to	
								Total market value of investment	Net assets of the Fund
			%	----- (Rupees in '000) -----					----- % -----
MODARABA									
First Habib Modaraba	AA+, PACRA	July 26, 2021	7.25%	545,503	-	545,503	-	-	-
First Habib Modaraba	AA+, PACRA	October 28, 2021	7.30%	554,699	-	554,699	-	-	-
First Habib Modaraba	AA+, PACRA	January 26, 2022	9.05%	-	500,000	-	500,000	6.79%	3.86%
First Habib Modaraba	AA+, PACRA	April 28, 2022	9.20%	-	575,104	-	575,104	7.81%	4.44%
Total as at December 31, 2021 (un-audited)				1,100,202	1,075,104	1,100,202	1,075,104	14.60%	8.30%
Total as at June 30, 2021 (audited)							1,100,202	11.56%	7.30%



	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
<b>5.7 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net</b>			
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	7,364,780	9,512,849
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	(7,351,144)	(9,500,563)
		<u>13,636</u>	<u>12,286</u>
<b>6 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
At the beginning of the period / year		455	656
Less: amortisation during the period / year		(101)	(201)
At the end of the period / year	6.1	<u>354</u>	<u>455</u>
<b>6.1</b>	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are paid by NBP Fund Management Limited (a related party). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.		
	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
<b>7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY</b>			
Remuneration payable to the Management Company	7.1	2,243	2,803
Sindh sales tax payable on remuneration of the Management Company	7.2	292	364
Reimbursement of allocated expenses payable	7.3	4,212	5,321
Reimbursement of selling and marketing expenses payable	7.4	28,756	29,795
Sales load payable to the Management Company		1,949	4,861
Sindh sales tax payable on sales load		266	644
Transfer load payable		35	33
ADC charges payable including Sindh sales tax		2,395	777
Other payable to the Management Company		80	80
		<u>40,228</u>	<u>44,678</u>
<b>7.1</b>	As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at 1.5% of net income of the Fund subject to floor and capping of 0.2% and 1.5% per annum of average annual net assets respectively (June 30, 2021: 1.5% of net income of the Fund subject to floor and capping of 0.2% and 1.5% per annum of average annual net assets) during the half year ended December 31, 2021. The remuneration is payable to the Management Company in arrears.		
<b>7.2</b>	During the period, an amount of Rs. 1.869 million (December 31, 2020: Rs. 2.712 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (December 31, 2020: 13%).		



- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from July 1, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to June 30, 2021
0.125% of average annual net assets	0.1% of average annual net assets	0.125% of average annual net assets

- 7.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

Rate applicable from July 1, 2021 to August 15, 2021	Rate applicable from August 16, 2021 to November 11, 2021	Rate applicable from November 12, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to June 30, 2021
0.7% of average annual net assets	0.8% of average annual net assets	0.9% of average annual net assets	0.7% of average annual net assets

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			

Annual fee payable	8.1	1,375	3,714
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- 8.1** Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (June 30, 2021: 0.02%) of the average annual net assets of the Fund.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			

Auditors' remuneration		342	438
Legal fees payable		86	116
Settlement and bank charges payable		208	70
Brokerage payable		5	5
Printing charges payable		19	86
Provision for Sindh Workers' Welfare Fund	9.1	-	66,854
Shariah advisory fee payable		947	2,376
Withholding tax payable		2,780	128,698
Other payable		1,100	514
		<u>5,487</u>	<u>199,157</u>



- 9.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 66.854 million recognised in these condensed interim financial statements of the Fund, for the period from September 14, 2018 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

## **10 CONTINGENCIES AND COMMITMENTS**

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

## **11 NET ASSET VALUE PER UNIT**

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

## **12 TAXATION**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

## **13 EARNINGS PER UNIT**

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## **14 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period is 1.30% (December 31, 2020: 1.31%) which includes 0.06% (December 31, 2020: 0.19%) representing government levies such as sales tax and the annual fee to SECP. The prescribed limit for the ratio is 2.5% (December 31, 2020: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant income scheme.





## 15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1** Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (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, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.
- 15.2** Transactions with related parties / connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6** Details of transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended	
	December 31,	
	2021	2020
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration of NBP Fund Management Limited - the Management Company	14,379	20,860
Sindh sales tax on remuneration of the Management Company	1,869	2,712
Reimbursement of allocated expenses	8,592	10,942
Reimbursement of selling and marketing expenses	55,018	70,663
Amortisation of preliminary expenses and floatation costs	101	101
Sales and transfer load including Sindh sales tax	13,408	19,478
ADC charges including Sindh sales tax	1,659	548
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	5,155	7,571
Sindh sales tax on remuneration of the Trustee	670	984
Settlement charges	92	54
<b>Employees of the Management Company</b>		
Units issued during the period - 10,064,089 units (2020: 21,735,208 units)	103,540	222,278
Units redeemed during the period - 11,194,928 units (2020: 21,335,207 units)	115,085	217,935
<b>Dr Amjad Waheed - the Chief Executive Officer of the Management Company</b>		
Units issued during the period - Nil (2020: 520 units)	-	5





**Muhammad Murtaza Ali - the Company Secretary and the Chief Operating Officer of the Management Company**

Units issued during the period - 75,175 units (2020: 145 units)  
Units redeemed during the period - 137,234 units (2020: 43,124 units)

**Khalid Mehmood - the Chief Financial Officer of the Management Company**

Units issued during the period - 207,913 units (2020: 186,305 units)  
Units redeemed during the period - 207,913 units (2020: 89,669 units)

**Portfolio managed by the Management Company**

Units issued during the period - 1,286 units (2020: 8,939,937 units)  
Units redeemed during the period - 5,976,007 units (2020: 35,752,596 units)

**Fauji Fertilizer Company Limited - common directorship**

Units issued during the period - Nil (2020: 16 units)\*

**BankIslami Pakistan Limited - common directorship**

Profit on bank deposits	7,803	12,587
Profit on term deposit receipts	14,530	42,374
Placement of term deposit receipts	1,703,062	9,011,000
Term deposit receipts matured during the period	2,403,062	7,393,000
Purchase of sukuk certificates	-	1,293,776
Sale of sukuk certificates	-	1,801,346

**National Bank of Pakistan - Parent of the Management Company**

Profit on bank deposits	62	295
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**NBP Income Opportunity Fund**

Purchase of sukuk certificates	88,362	-
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**NBP Riba Free Savings Fund**

Purchase of sukuk certificates	-	1,125,418
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**NBP Active Allocation Riba Free Savings Fund**

Purchase of Islamic commercial paper	-	6,936
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**NBP Islamic Money Market Fund**

Purchase of Islamic commercial paper	-	342,518
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**The Hub Power Company Limited - common directorship\*\***

Purchase of sukuk certificates	-	707,421
Sukuks matured during the period	-	675,000
Profit on sukuk certificates	-	59,349

**Hub Power Holdings Limited - common directorship\*\***

Purchase of sukuk certificates	-	470,013
Profit on sukuk certificates	-	10,249

**Pakistan Stock Exchange Limited\*\***

Listing fee paid	-	25
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\* Nil due to rounding off

\*\* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2021.



	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
<b>15.7 Amounts / balances outstanding as at period / year end:</b>		
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration payable to the Management Company	2,243	2,803
Sindh sales tax payable on remuneration of the Management Company	292	364
Reimbursement of allocated expenses payable	4,212	5,321
Reimbursement of selling and marketing expenses payable	28,756	29,795
Sales load payable to the Management Company	1,949	4,861
Sindh sales tax payable on sales load	266	644
Transfer load payable	35	33
ADC charges payable including Sindh sales tax	2,395	777
Other payable to the Management Company	80	80
<b>Employees of the Management Company</b>		
Units held 4,775,182 (June 30, 2021: 6,329,429) units	49,861	63,606
<b>Muhammad Murtaza Ali - the Chief Operating Officer and the Company Secretary</b>		
Units held 39,157 (June 30, 2021: 101,216) units	409	1,017
<b>Imran Zaffar - Director</b>		
Units held 2,112 (June 30, 2021: 2,112) units	22	21
<b>Portfolio managed by the Management Company</b>		
Units held 3,728,283 (June 30, 2021: 9,703,004) units	38,930	97,508
<b>Dr Amjad Waheed - the Chief Executive Officer of the Management Company</b>		
Units held 549 units (June 30, 2021: 549 units)	6	6
<b>Fauji Fertilizer Company Limited - common directorship</b>		
Units held 17 (June 30, 2021: 17) units*	-	-
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration payable to the Trustee	826	1,051
Sindh sales tax on remuneration of the Trustee	107	137
Settlement charges payable	69	24
Security deposit	103	103
<b>BankIslami Pakistan Limited - common directorship</b>		
Bank balances	22,787	26,867
Investment in term deposit receipts	-	700,000
Profit receivable on term deposit receipts	-	280
Profit receivable on bank balances	1,245	13,874
<b>Hub Power Holdings Limited - common directorship**</b>		
Sukuk certificates	-	503,742
Profit receivable on sukuk certificates	-	211
<b>The Hub Power Company Limited - common directorship**</b>		
Sukuk certificates	-	665,600
Profit receivable on sukuk certificates	-	18,761
<b>National Bank of Pakistan - Parent of the Management Company</b>		
Bank balances	3,392	3,236
Profit receivable on bank balances	21	17

\* Nil due to rounding off

\*\* Current year figures have not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2021.



**15.8** Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values.

### 16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value.

----- Un-audited -----				
----- As at December 31, 2021 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>				
GoP Ijarah sukuk certificates	-	1,636,561	-	1,636,561
Corporate sukuk certificates	-	2,963,368	-	2,963,368
Islamic commercial papers*	-	1,689,747	-	1,689,747
Certificates of musharakah**	-	1,075,104	-	1,075,104
	-	7,364,780	-	7,364,780
----- Audited -----				
----- As at June 30, 2021 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>				
GoP Ijarah sukuk certificates	-	1,645,614	-	1,645,614
Corporate sukuk certificates	-	2,751,498	-	2,751,498
Islamic commercial papers*	-	715,535	-	715,535
Term deposit receipts**	-	3,300,000	-	3,300,000
Certificates of musharakah**	-	1,100,202	-	1,100,202
	-	9,512,849	-	9,512,849



- \* The valuation of Islamic commercial papers has been done based on amortisation to their face values as per the guidelines given in Circular 33 of 2012 by the SECP since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating. Mughal Iron & Steel Industries Limited ICP has also been valued on the same basis.
- \*\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit rating.

## 17 GENERAL

- 17.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.
- 17.2 Corresponding figures have been re-classified and re-arranged in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 23, 2022.

**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

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

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

 /nbpfunds



# NBP FINANCIAL SECTOR FUND

**AM1**  
Rated by PACRA

**HALF YEARLY** REPORT  
DECEMBER 31, 2021



# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

### Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member
Mr. Saad Amanullah Khan	Member

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Trustee

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

### Bankers to the Fund

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



## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

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Fax: 92-42-35861095

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Fax: 051-4859031

## **Peshawar Office:**

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

## **Multan Office:**

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



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Financial Sector Fund (NFSF)** for the half year ended December 31, 2021.

### Fund's Performance

After impressive return in FY21, the 1HFY22 has remained lackluster for the stock market in terms of performance. The market oscillated in a narrow range during the period, amid thin volumes, showing lack of interest on part of investors and at period close, the benchmark KSE-100 index fell by around 2,760 points, translating into a decline of 5.8% during the period under review.

June period and September period results came in during 1H, whereby companies posted massive growth in profits along with healthy payouts. However, the market performance remained subdued which can be attributed to deterioration in key economic variables. Although the economic growth picked further steam during the year, the external vulnerabilities also came to the fore as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. Despite healthy growth in remittances and goods exports, which surged by 11.3% and 29% respectively, import bill rose massively by 57% on a YoY basis, and current account deficit clocked in at USD 9.1bn. For the same reason, PKR remained under duress and depreciated by a significant 12% during the period. Both these factors caused uncertainty in terms of outlook, as investors weighed the impact on margins and corporate profitability going forward. Monthly inflation reading also kept creeping up and average inflation stood at around 9.8% for the period under review. To compress both the external imbalances and the high inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in the 1H. Inordinate delay in the resumption of the IMF program, which is on hiatus since March-21, was another reason for uneasiness in the market. Lastly, the downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which further dented the stock market performance.

On the positive side, Roshan Digital Account (RDA) continued to grow with vigour, as cumulative flows stood at USD 3.2 billion at Dec-21 (net inflows of around USD 1.6bn in 1HFY22). The country also received around USD 2.75bn from IMF under its new Special Drawing Rights (SDR) allocation, under its historic funding of USD 650bn for the developing and developed member countries. In addition to it, the country was able to secure USD 4.2 billion support package from Saudi Arabia, which involved USD 3 billion deposit with SBP and the remaining as oil supplies on deferred payments during the year.

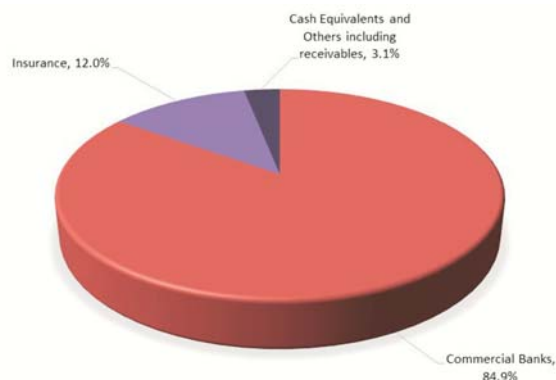
Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Insurance, and Companies remained the largest buyers during the period with net inflows of USD 72 million, USD 66 million and USD 60 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 250 million.

The size of NBP Financial Sector Fund has decreased from Rs. 445 million to Rs. 430 million during the period, i.e., a decrease of 3%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has increased from Rs. 8.9014 on June 30, 2021 to Rs. 9.3824 on December 31, 2021, thus showing an increase of 5.4%. The Benchmark for the same period was decreased by 5.3%. Thus, the Fund has outperformed its Benchmark by 10.7% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has decreased from Rs. 9.6486 (Ex-Div) on February 14, 2018 to Rs. 9.3824 on December 31, 2021, thus showing a decrease of 2.8%. The Benchmark for the same period was increased by 2.3%. Thus, the Fund has underperformed its Benchmark by 5.1% during the period under review. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall not be repeated in the future.



The Fund has earned a total income of Rs. 33.14 million during the period. After deducting total expenses of Rs. 10.64 million, the net income is Rs. 22.50 million. The asset allocation of the Fund as on December 31, 2021 is as follows:

The asset allocation of the Fund as on December 31, 2021 is as follows:



## NFSF 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: **February 23, 2022**  
Place: Karachi.



## ڈائریکٹرز رپورٹ

NBP فنڈ میٹجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بعد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP فنانسینشل سیکٹر فنڈ (NFSF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

FY21 میں متاثر کن منافع کے بعد، 1HFY22 کارکردگی کے لحاظ سے اسٹاک مارکیٹ کے لئے غیر متاثر کن رہی۔ اس عرصہ کے دوران مارکیٹ میں گروشی اتار چڑھاؤ رہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بیچ مارک KSE-100 انڈیکس میں تقریباً 2,760 پوائنٹس کمی ہوئی، جس سے زیر جائزہ مدت کے دوران 5.8 فیصد کمی واقع ہوئی۔

جون اور ستمبر کی مدت کے نتائج پہلی ششماہی کے دوران آئے، جس کے تحت کمپنیوں نے زبردست منافع کے ساتھ اچھا عبوری منافع دیا۔ تاہم، مارکیٹ کی کارکردگی کم رہی جس کی وجہ اہم اقتصادی تغیرات میں بگاڑ کو قرار دیا جاسکتا ہے۔ اگرچہ سال کے دوران معاشی نمو مزید تیز ہو گئی، تاہم مجموعی مقامی طلب میں اضافہ اور اجناس کے جاری سپرائیکل کے باعث بیرونی عدم توازن مزید بڑھ جانے کی وجہ سے بیرونی دباؤ بھی سامنے آیا۔ ترسیلات زر اور سامان کی برآمدات میں بہتر نمونے کا وجود، جس میں بالترتیب 11.3% اور 29% کا اضافہ ہوا، درآمدی بل میں سالانہ بنیادوں پر 57% کا مجموعی اضافہ ہوا، اور کرنٹ اکاؤنٹ خسارہ 9.1 بلین امریکی ڈالر تک پہنچ گیا۔ اسی وجہ سے، پاکستانی روپیہ دباؤ میں رہا اور اس مدت کے دوران قدر میں نمایاں طور پر 12% کی کمی واقع ہوئی۔ یہ دونوں عوامل مجموعی نقطہ نظر کے لحاظ سے غیر یقینی صورتحال کا باعث بنے کیونکہ سرمایہ کاروں نے مستقبل میں مارجن اور کارپوریٹ منافع پرائیکٹو اہمیت دی۔ ماہانہ افراط زر کی شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت میں اوسط افراط زر تقریباً 9.8 فیصد رہا۔ بیرونی عدم توازن اور بلند افراط زر دونوں کو کم کرنے کے لیے، مرکزی بینک نے اس عرصے کے دوران مالیاتی سختی کا سہارا لیا کیونکہ پہلی ششماہی میں پالیسی شرح میں مجموعی طور پر 2.75% اضافہ کیا گیا۔ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں غیر معمولی تاخیر، جو مارچ 21 سے فحشل کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI ایمرجنگ مارکیٹ سے MSCI فرنیچر مارکیٹ میں تنزیل بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن بحال کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصہ کے دوران غیر معمولی بیرونی اخراج ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔

مثبت پہلو پر، روشن ڈیجیٹل اکاؤنٹ (RDA) تیزی سے بڑھتا رہا، جیسا کہ مجموعی آمد دسمبر 21 کو 3.2 بلین امریکی ڈالر (1HFY22) میں تقریباً 1.6 بلین امریکی ڈالر کی خالص آمد رہا۔ ملک نے ترقی پذیر اور ترقی یافتہ رکن ممالک کے لیے 650 بلین امریکی ڈالر کی تاریخی فنڈنگ کے تحت اپنے نئے اسٹیش ڈرائنگ رائٹس (SDR) کے تحت آئی ایم ایف سے تقریباً 2.75 بلین امریکی ڈالر وصول کیے۔ اس کے علاوہ، ملک سعودی عرب سے 4.2 بلین امریکی ڈالر امدادی چیک حاصل کرنے میں کامیاب رہا، جس میں سے 3 بلین امریکی ڈالر SBP کے پاس ڈیپازٹ اور باقی سال کے دوران موخر ادا بینکیوں پر تیل کی سپلائی کے طور پر شامل تھا۔

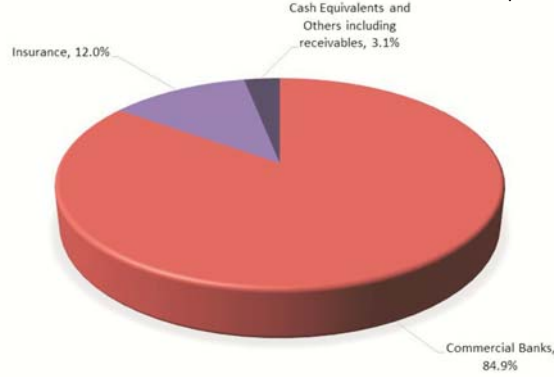
مارکیٹ کی سیکٹر وائز کارکردگی کے پیش نظر، آٹوموبائل اسمبلرز، کیمیکلز، کمرشل بینکس، کھادیں، خوراک اور ذاتی نگہداشت، گلاس اینڈ سرائیکس، تیل و گیس ایکسپلوریشن، بجلی پیداوار، تقسیم کرنے، اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور ایئر سیریز، کیکیل اور الیکٹرونکس کا سامان، سینٹ، انجینئرنگ، انشورنس، تیل و گیس مارکیٹنگ، کاغذ اور بورڈ، دواسازی، ریفرنڈریز، ٹیکنالوجی اور کمیونیکیشن، اور وینا سٹی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیر جائزہ مدت کے دوران بالترتیب 72 بلین امریکی ڈالر، 66 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر کی خالص آمدنی کے ساتھ بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 250 بلین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے زیادہ فروخت کنندگان رہے۔

NBP فنانسینشل سیکٹر فنڈ (NFSF) کا فنڈ سائز اس مدت کے دوران 445 ملین روپے سے کم ہو کر 430 ملین روپے ہو گیا، یعنی 3% کی کمی ہوئی۔ اس مدت کے دوران، NBP فنانسینشل سیکٹر فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2021 کو 8.9014 روپے سے بڑھ کر 31 دسمبر 2021 کو 9.3824 روپے ہو چکی ہے، لہذا 5.4% کا اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک میں 5.3% کی کمی ہوئی۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 10.7% بہتر کارکردگی دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت 9.6486 روپے (Ex-Div) سے کم ہو کر 31 دسمبر 2021 کو 9.3824 روپے ہو گئی، لہذا 2.8% کی کمی ہوئی ہے۔ اسی مدت کے لئے بیچ مارک میں 2.3% کا اضافہ ہوا۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 15.1% بہتر رہی۔ یہ کارکردگی میٹجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈیونگ رپورٹ کردی گئی۔ اس پروڈیونگ کے رپورٹل 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 فنانسینشل سیکٹر فنڈ نے موجودہ مدت کے دوران 33.14 ملین روپے کی کل آمدنی ہوئی۔ 10.64 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 22.50 ملین روپے ہے۔



31 دسمبر 2021 کے مطابق فنڈ کی ایسٹ ایلو کیشن حسب ذیل ہے:



NFSF کی کارکردگی بمقابلہ بچہ مارک



انتہا تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Financial Sector Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 25, 2022



## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Financial Sector Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2021, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**

**Chartered Accountants**

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 28, 2022

Karachi





## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in 000) -----	
<b>ASSETS</b>			
Bank balances	4	11,702	13,827
Investments	5	416,998	434,858
Profit receivable		100	85
Deposits and other receivables		2,962	2,948
Receivable against sale of units		2,327	-
Preliminary expenses and floatation costs	6	746	1,084
<b>Total assets</b>		434,835	452,802
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	7	3,187	3,066
Payable to Central Depository Company of Pakistan Limited - the Trustee		85	85
Payable to the Securities and Exchange Commission of Pakistan	8	45	112
Payable against redemption of units		726	-
Accrued expenses and other liabilities	9	547	4,354
<b>Total liabilities</b>		4,590	7,617
<b>NET ASSETS</b>		430,245	445,185
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		430,245	445,185
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		
<b>NUMBER OF UNITS IN ISSUE</b>			
		45,856,599	50,012,837
<b>NET ASSET VALUE PER UNIT</b>			
	11	9.3824	8.9014

The annexed notes 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
<b>INCOME</b>	<b>(Rupees in 000)</b>			
Profit on bank balances	358	827	235	370
Dividend income	14,681	7,588	4,443	7,588
	15,039	8,415	4,678	7,958
Gain on sale of investments - net	2,598	20,351	2,522	10,342
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net	12,807	102,874	13,931	9,182
	15,405	123,225	16,453	19,524
<b>Total income</b>	<b>30,444</b>	<b>131,640</b>	<b>21,131</b>	<b>27,482</b>
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - the Management Company	3,381	4,884	1,693	2,363
Sindh sales tax on remuneration of the Management Company	439	635	220	307
Reimbursement of allocated expenses	435	382	225	214
Reimbursement of selling and marketing expenses	4,570	5,333	2,313	2,812
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	451	651	226	315
Sindh sales tax on remuneration of the Trustee	59	85	30	41
Annual fee to the Securities and Exchange Commission of Pakistan	45	65	22	31
Securities transaction cost	180	333	145	139
Auditors' remuneration	280	430	119	284
Amortisation of preliminary expenses and floatation costs	338	337	169	168
Annual listing fee	14	13	7	8
Printing charges	37	90	19	89
Legal and professional charges	239	83	193	63
Settlement and bank charges	173	201	72	121
<b>Total operating expenses</b>	<b>10,641</b>	<b>13,522</b>	<b>5,453</b>	<b>6,955</b>
<b>Net income from operating activities</b>	<b>19,803</b>	<b>118,118</b>	<b>15,678</b>	<b>20,527</b>
Reversal of provision / (provision against) Sindh Workers' Welfare Fund - net	2,695	(2,362)	-	(410)
<b>Net income for the period before taxation</b>	<b>22,498</b>	<b>115,756</b>	<b>15,678</b>	<b>20,117</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>22,498</b>	<b>115,756</b>	<b>15,678</b>	<b>20,117</b>
<b>Earnings per unit</b>				
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	22,498	115,756	15,678	20,117
Income already paid on units redeemed	(2,365)	(18,070)	(1,948)	(8,558)
	20,133	97,686	13,730	11,559
<b>Accounting income available for distribution</b>				
- Relating to capital gains	15,405	97,686	13,730	11,559
- Excluding capital gains	4,728	-	-	-
	20,133	97,686	13,730	11,559

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in 000) -----			
<b>Net income for the period after taxation</b>	22,498	115,756	15,678	20,117
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>22,498</u>	<u>115,756</u>	<u>15,678</u>	<u>20,117</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For the half year ended December 31, 2021			For the half year ended December 31, 2020		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
----- (Rupees in 000) -----						
Net assets at the beginning of the period (audited)	672,914	(227,729)	445,185	851,377	(272,980)	578,397
Issue of 12,325,362 units (2020: 13,955,529 units)						
- Capital value (at ex-net asset value per unit)	109,713	-	109,713	106,744	-	106,744
- Element of income	8,201	-	8,201	10,357	-	10,357
Total proceeds on issuance of units	117,914	-	117,914	117,101	-	117,101
Redemption of 16,481,600 units (2020: 23,348,264 units)						
- Capital value (at ex-net asset value per unit)	(146,709)	-	(146,709)	(178,589)	-	(178,589)
- Element of loss	(6,278)	(2,365)	(8,643)	(7,468)	(18,070)	(25,538)
Total payments on redemption of units	(152,987)	(2,365)	(155,352)	(186,057)	(18,070)	(204,127)
Total comprehensive income for the period	-	22,498	22,498	-	115,756	115,756
Net assets at the end of the period (un-audited)	637,841	(207,596)	430,245	782,421	(175,294)	607,127
Accumulated losses brought forward						
- Realised loss		(277,812)			(124,931)	
- Unrealised income / (loss)		50,083			(148,049)	
		(227,729)			(272,980)	
Accounting income available for distribution						
- Relating to capital gains	15,405			97,686		
- Excluding capital gains	4,728			-		
	20,133			97,686		
Accumulated losses carried forward		(207,596)			(175,294)	
Accumulated losses carried forward						
- Realised loss		(220,403)			(278,168)	
- Unrealised income		12,807			102,874	
		(207,596)			(175,294)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		8.9014			7.6489	
Net asset value per unit at the end of the period		9.3824			9.1675	

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,	
	2021	2020
Note	(Rupees in 000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	22,498	115,756
<b>Adjustments</b>		
Profit on bank balances	(358)	(827)
Dividend income	(14,681)	(7,588)
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net	5.1.3 (12,807)	(102,874)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	9.1 (2,695)	2,362
Amortisation of preliminary expenses and floatation costs	6.1 338	337
	(7,705)	7,166
<b>Decrease / (increase) in assets</b>		
Investments - net	30,667	67,672
Deposits and other receivable	(14)	(13)
	30,653	67,659
<b>Increase / (decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	121	(511)
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	11
Payable to the Securities and Exchange Commission of Pakistan	(67)	(87)
Accrued expenses and other liabilities	(1,112)	88
	(1,058)	(499)
Dividend income received	14,681	7,588
Profit received on bank balances	343	795
<b>Net cash generated from operating activities</b>	36,914	82,709
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts against issuance of units	115,587	116,669
Net payments against redemption of units	(154,626)	(204,127)
<b>Net cash used in financing activities</b>	(39,039)	(87,458)
<b>Net decrease in cash and cash equivalents during the period</b>	(2,125)	(4,749)
Cash and cash equivalents at the beginning of the period	13,827	22,750
<b>Cash and cash equivalents at the end of the period</b>	4 11,702	18,001

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Financial Sector Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered 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 under the Trust Act, 1882 on January 10, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 29, 2018.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 equity 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 7, 2018 and are transferable and redeemable by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency (PACRA) has reaffirmed the asset manager rating of the Management Company of AM1 (2021: AM1) on June 23, 2021. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

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.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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.

**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the 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.

**2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2021.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN**

**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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the annual audited 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 annual audited financial statements as at and for the year ended June 30, 2021.

#### **3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period:**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### **3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective:**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>4</b>	<b>BANK BALANCES</b>	<b>Note</b>	<b>(Rupees in 000)</b>
	Savings accounts	4.1	11,702
	Current accounts		-
			<u>11,702</u>
			<u>13,827</u>

**4.1** These include balances of Rs 0.632 million (June 30, 2021: Rs 7.570 million) and Rs 0.106 million (June 30, 2021: Rs 0.106 million) maintained with BankIslami Pakistan Limited and National Bank of Pakistan (related



parties) that carry profit at the rate of 10.2% per annum (June 30, 2021: 6.8% per annum) and 2% per annum (June 30, 2021: 4.5% per annum) respectively. Other savings accounts of the Fund carry profit rates ranging from 6.5% to 10.2% per annum (June 30, 2021: 4.5% to 8% per annum).

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>5 INVESTMENTS</b>	<b>Note</b>	<b>(Rupees in 000)</b>	

## At fair value through profit or loss

Quoted equity securities	5.1	416,998	434,858
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### 5.1 Investments in equity securities - listed

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

Name of the Investee Company	As at July 1, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of net assets of the Fund	Market value as a percentage of total market value of investments of the Fund	Holding as a percentage of paid-up capital of investee company
	----- Number of shares held -----					Rupees in 000	----- % -----		
INSURANCE									
IGI Holdings Limited	109,900	-	-	-	109,900	16,884	3.92%	4.05%	0.08%
Adamjee Insurance Company Limited	1,117,000	-	-	246,000	871,000	34,840	8.10%	8.35%	0.25%
						51,724	12.02%	12.40%	0.33%
COMMERCIAL BANKS									
Allied Bank Limited	230,500	-	-	72,000	158,500	13,040	3.03%	3.13%	0.01%
Askari Bank Limited	605,000	-	-	143,000	462,000	10,173	2.36%	2.44%	0.04%
Bank Alfalah Limited [note 5.1.1]	1,323,350	281,000	-	153,500	1,450,850	50,199	11.67%	12.04%	0.08%
Bank Al Habib Limited	871,500	31,383	-	53,500	849,383	58,616	13.62%	14.06%	0.08%
The Bank of Punjab [note 5.1.1]	1,059,500	-	-	285,000	774,500	6,560	1.52%	1.58%	0.03%
Faysal Bank Limited [note 5.1.2]	982,875	245,500	-	20,000	1,208,375	27,793	6.46%	6.67%	0.08%
MCB Bank Limited [note 5.1.1]	139,700	-	-	57,700	82,000	12,575	2.92%	3.01%	0.01%
Meezan Bank Limited	237,305	17,500	35,595	57,800	232,600	31,194	7.25%	7.48%	0.01%
National Bank of Pakistan - a related party	-	83,000	-	-	83,000	2,865	0.67%	0.68%	0.00%*
United Bank Limited [note 5.1.1]	550,351	21,000	-	96,500	474,851	64,855	15.07%	15.55%	0.04%
Habib Metropolitan Bank Limited	379,000	30,500	-	-	409,500	17,539	4.08%	4.21%	0.04%
Habib Bank Limited [note 5.1.1]	611,181	53,500	-	65,600	599,081	69,865	16.24%	16.75%	0.04%
						365,274	84.90%	87.60%	0.46%
Total as at December 31, 2021 (un-audited)						416,998	96.92%	100.00%	0.79%
Carrying value as at December 31, 2021 (un-audited)						404,191			
Market value as at June 30, 2021 (audited)						434,858			
Carrying value as at June 30, 2021 (audited)						384,775			

\* Nil value due to rounding off difference





**5.1.1** Investments include shares with a market value of Rs 91.418 million (June 30, 2021: Rs 98.023 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**5.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Sindh High Court, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Sindh High Court in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan (SCP) passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, the CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the Sindh High Court. In this regard, on July 15, 2019, the Sindh High Court issued notices to the relevant parties and ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 which required every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

The following bonus shares of the Fund have been withheld by Faysal Bank Limited at the time of declaration of bonus shares.

Name of the investee company	(Un-audited)		(Audited)	
	December 31, 2021		June 30, 2021	
	Bonus shares		Bonus shares	
	Number of shares	Market value	Number of shares	Market value
	(Rupees in 000)		(Rupees in 000)	

Faysal Bank Limited

14,494

333

14,494

246

**5.1.3 Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net**

Note (Un-audited) December 31, 2021 (Audited) June 30, 2021 (Rupees in 000)

Market value of investments

5.1

416,998

434,858

Less: carrying value of investments

5.1

(404,191)

(384,775)

12,807

50,083



		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>6 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>	<b>Note</b>	<b>----- (Rupees in 000) -----</b>	
At the beginning of the period / year		1,084	1,755
Less: amortisation during the period / year		(338)	(671)
At the end of the period / year	6.1	<u>746</u>	<u>1,084</u>

- 6.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY</b>	<b>Note</b>	<b>----- (Rupees in 000) -----</b>	
Management fee payable	7.1	561	562
Sindh sales tax payable on remuneration of the Management Company	7.2	73	73
Reimbursement of allocated expenses payable	7.3	226	167
Reimbursement of selling and marketing expenses payable	7.4	2,313	2,220
Sales load and transfer load payable		12	39
Sindh sales tax payable on sales load and transfer load		<u>2</u>	<u>5</u>
		<u>3,187</u>	<u>3,066</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 1.5% of average daily net assets during the current period (June 30, 2021: 1.5% of average daily net assets). The remuneration is payable to the Management Company in arrears.

- 7.2** During the period, an amount of Rs. 0.439 million (December 31, 2020: Rs. 0.635 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 @ 13% (December 31, 2020: 13%).

- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from July 1, 2021 to July 24, 2021	Rate applicable from July 25, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to December 31, 2020
0.15% of average annual net assets	0.2% of average annual net assets	0.1% of average annual net assets	0.15% of average annual net assets

- 7.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.



Rate applicable from July 1, 2021 to September 19, 2021	Rate applicable from September 20, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to January 25, 2021	Rate applicable from January 26, 2021 to June 30, 2021
2% per annum of average daily net assets	2.05% per annum of average daily net assets	1.5% per annum of average daily net assets	1.9% per annum of average daily net assets	2% per annum of average daily net assets

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>----- (Rupees in 000) -----</b>	
Annual fee payable	8.1	<u>45</u>	<u>112</u>

- 8.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>----- (Rupees in 000) -----</b>	
Provision for Sindh Workers' Welfare Fund	9.1	-	2,695
Auditors' remuneration payable		214	458
Printing charges payable		44	53
Brokerage fee payable		68	19
Legal and professional charges payable		30	97
Withholding tax payable		11	870
Capital gain tax payable		72	43
Bank charges payable		59	67
Settlement charges payable		<u>49</u>	<u>52</u>
		<u>547</u>	<u>4,354</u>

- 9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of



SWWF amounting to Rs. 2.695 million recognised in these condensed interim financial statements of the Fund, for the period from January 29, 2018 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

## 10 CONTINGENCIES AND COMMITMENTS

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

## 11 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

## 12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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

## 13 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.48% (December 31, 2020: 4.88%) which includes 0.24% (December 31, 2020: 0.97%) representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 4.5% (December 31, 2020: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1 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.
- 15.2 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.
- 15.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.



- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6** Details of transactions with related parties / connected persons during the period are as follows:

	----- (Un-audited) -----	
	Half year ended	
	December 31,	
	2021	2020
	----- (Rupees in 000) -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration of NBP Fund Management Limited - the Management Company	3,381	4,884
Sindh sales tax on remuneration of the Management Company	439	635
Sales load and transfer load	12	128
Sindh sales tax on sales load and transfer load	2	17
Reimbursement of allocated expenses	435	382
Reimbursement of selling and marketing expenses	4,570	5,333
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	451	651
Sindh sales tax on remuneration of the Trustee	59	85
Settlement charges	3	10
<b>Employees of the Management Company</b>		
Units issued during the period - 3,449,020 units (2020: 1,164,210 units)	33,849	10,353
Units redeemed during the period - 3,279,454 units (2020: 863,794 units)	31,879	7,723
<b>National Bank of Pakistan - Parent of Management Company</b>		
Shares purchased during the period - 83,000 shares (2020: Nil)	2,972	-
Shares sold during the period - Nil (2020: 283,500 shares)	-	10,154
<b>BankIslami Pakistan Limited - common directorship</b>		
Profit on bank balances	96	213
<b>Portfolio managed by the Management Company</b>		
Units issued during the period - Nil (2020: 10,830 units)	-	96
Units redeemed during the period - Nil (2020: 5,752,102 units)	-	52,548
<b>Taurus Securities Limited - subsidiary of parent</b>		
Brokerage expense	18	18
<b>United Bank Limited - unit holder with more than 10% holding</b>		
Shares purchased during the period - 21,000 shares (2020: 108,000 shares)	2,993	11,495
Shares sold during the period - 96,500 shares (2020: 132,000 shares)	12,930	14,841
Dividend income	4,260	-



	----- (Un-audited) -----	
	Half year ended	
	December 31,	
	2021	2020
	----- (Rupees in 000) -----	
<b>Pakistan Stock Exchange Limited - common directorship*</b>		
Listing fee paid	-	25
<b>National Clearing Company of Pakistan Limited (NCCPL) - common directorship</b>		
NCCPL charges	159	159

\* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2021.

**15.7 Amounts / balances outstanding as at period / year end are as follows:**

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in 000) -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Management fee payable	561	562
Sindh sales tax payable on remuneration of the Management Company	73	73
Sales load and transfer load payable	12	39
Sindh sales tax payable on sales load and transfer load	2	5
Reimbursement of selling and marketing expenses payable	2,313	2,220
Reimbursement of allocated expenses payable	226	167
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	75	75
Sindh sales tax payable on trustee fee	10	10
Security deposit	100	100
Settlement charges payable	20	26
<b>Employees of the Management Company</b>		
Units held - 712,859 units (June 30, 2021: 553,277 units)	6,688	4,925
<b>National Bank of Pakistan Limited - Parent of Management Company</b>		
Bank balances	106	106
Shares held - 83,000 shares (June 30, 2021: Nil)	2,865	-
<b>BankIslami Pakistan Limited - common directorship</b>		
Bank balances	631	7,570
Profit receivable	31	28
<b>Omer Farooq Kabir Sheikh - unit holder with more than 10% holding</b>		
Units held - 5,711,105 units (June 30, 2021: 5,711,105 units)	53,584	50,837
<b>Portfolio managed by the Management Company</b>		
Units held - 33,193 units (June 30, 2021: 33,193 units)	311	295



	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in 000) -----	
<b>United Bank Limited - unit holder with more than 10% holding</b>		
Units held - 25,842,766 units (June 30, 2021: 25,842,766 units)	242,467	230,037
Shares held - 474,851 shares (June 30, 2021: 550,351 shares)	64,855	67,835
<b>National Clearing Company of Pakistan Limited - common directorship</b>		
Settlement charges payable	29	26
Security deposit	2,500	2,500

**15.8** Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

## 16 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021 the Fund held the following financial instruments measured at fair value.

	Un-audited			
	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
<b>At fair value through profit or loss</b>				
Listed equity securities	416,998	-	-	416,998
	----- (Rupees in 000) -----			
	Audited			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
<b>At fair value through profit or loss</b>				
Listed equity securities	434,858	-	-	434,858



## 17 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 23, 2022.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## Head Office

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

 /nbpfunds



# NBP ISLAMIC ENERGY FUND

HALF YEARLY REPORT  
DECEMBER 31, 2021



# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
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  
Dubai Islami Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Silk Bank Limited  
Summit Bank Limited  
United Bank Limited



## **Auditors**

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

## **Legal Advisor**

Akhund Forbes  
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Fax: 051-4859031

## **Peshawar Office:**

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Fax: 091-5703202

## **Multan Office:**

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Phone No. : 061-4540301-6, 061-4588661-2 & 4



## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed condensed financial statements of **NBP Islamic Energy Fund (NIEF)** for the half year ended December 31, 2021.

### Fund's Performance

After impressive return in FY21, the 1HFY22 has remained lackluster for the stock market in terms of performance. The market oscillated in a narrow range during the period, amid thin volumes, showing lack of interest on part of investors and at period close, the benchmark KMI-30 index fell by around 4,934 points, translating into a decline of 6.4% during the period under review.

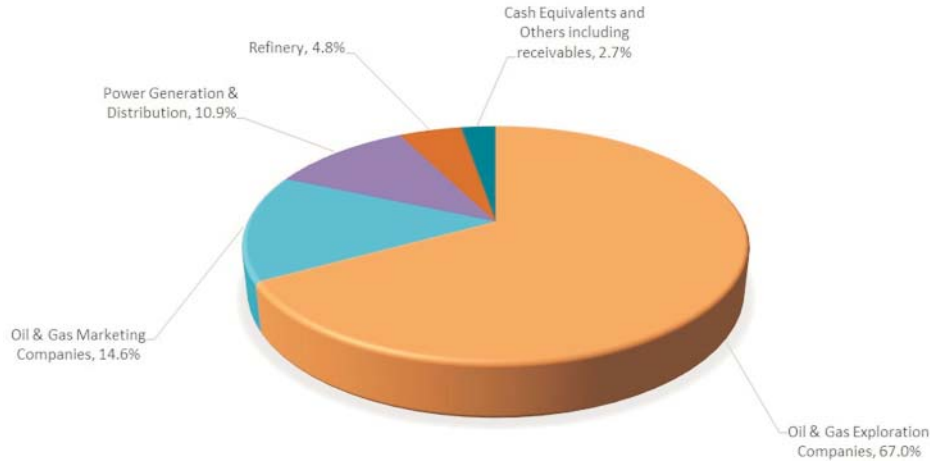
June period and September period results came in during 1H FY22, whereby companies posted massive growth in profits along with healthy payouts. However, the market performance remained subdued which can be attributed to deterioration in key economic variables. Although the economic growth picked further steam during the year, the external vulnerabilities also came to the fore as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. Despite healthy growth in remittances and goods exports, which surged by 11.3% and 29% respectively, import bill rose massively by 57% on a YoY basis, and current account deficit clocked in at USD 9.1bn. For the same reason, PKR remained under duress and depreciated by a significant 12% during the period. Both these factors caused uncertainty in terms of outlook, as investors weighed the impact on margins and corporate profitability going forward. Monthly inflation reading also kept creeping up and average inflation during 1HY22 remained elevated and stood at 9.8% for the period under review. To compress both the external imbalances and the high inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in the 1H. Inordinate delay in the resumption of the IMF program, which is on hiatus since March-21, was another reason for uneasiness in the market. Lastly, the downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which further dented the stock market performance.

On the positive side, Roshan Digital Account (RDA) continued to grow with vigour, as cumulative flows stood at USD 3.2 billion at Dec-21 (net inflows of around USD 1.6bn in 1HY22). The country also received around USD 2.75bn from IMF under its new Special Drawing Rights (SDR) allocation, under its historic funding of USD 650bn for the developing and developed member countries. In addition to it, the country was able to secure USD 4.2 billion support package from Saudi Arabia, which involved USD 3 billion deposit with SBP and the remaining as oil supplies on deferred payments during the year.

Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Insurance, and Companies remained the largest buyers during the period with net inflows of USD 72 million, USD 66 million and USD 60 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 250 million.

The size of NBP Islamic Energy Fund at the end of the period stood at Rs. 697 million, 19% lower than at June 30, 2021. During the period the unit price of NBP Islamic Energy Fund has decreased from Rs. 9.4868 on June 30, 2021 to Rs. 8.9083 on December 31, 2021, thus showing a decrease of 6.1%. The Benchmark (KMI-30 Index) decreased by 6.4%. Thus, the Fund has outperformed its Benchmark by 0.3% during the period under review. Since inception (April 21, 2016), the unit price of the Fund has shown an increased of 1.0% as compared to 21.6% increase in its Benchmark. Thus, the Fund has underperformed its Benchmark by 20.6%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall not be repeated in the future.

The Fund incurred a loss of Rs. 35.42 million during the period. After deducting total expenses of Rs. 18.43 million, the total loss is Rs. 53.85 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



## NIEF 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: **February 23, 2022**  
Place: Karachi.



## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بعد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک انرجی فنڈ (NIEF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

FY21 میں متاثر کن منافع کے بعد، 1HFY22 کارکردگی کے لحاظ سے اسٹاک مارکیٹ کے لئے غیر متاثر کن رہی۔ اس عرصہ کے دوران مارکیٹ میں گروتھ اتار چڑھاؤ رہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بیچ مارک KMI-30 انڈیکس میں تقریباً 4,934 پوائنٹس کمی ہوئی، جس سے زیر جائزہ مدت کے دوران 6.4 فیصد کمی واقع ہوئی۔

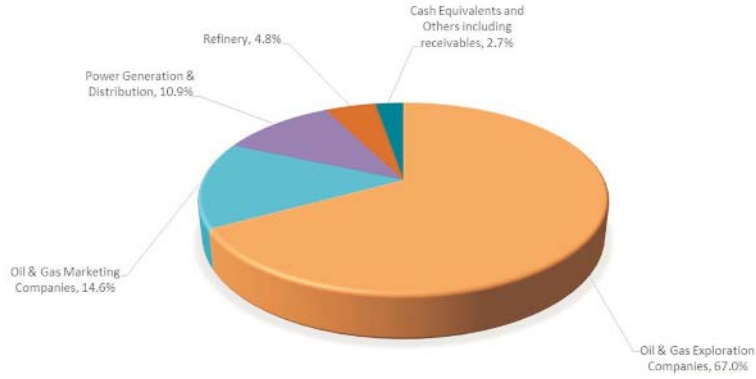
جون اور ستمبر کی مدت کے نتائج پہلی ششماہی کے دوران آئے، جس کے تحت کمپنیوں نے زبردست منافع کے ساتھ اچھا عبوری منافع دیا۔ تاہم، مارکیٹ کی کارکردگی کم رہی جس کی وجہ اہم اقتصادی متغیرات میں بگاڑ کو قرار دیا جاسکتا ہے۔ اگرچہ سال کے دوران معاشی نمو مزید تیز ہو گئی، تاہم مجموعی مقامی طلب میں اضافے اور اجناس کے جاری سپر سائیکل کے باعث بیرونی عدم توازن مزید بڑھ جانے کی وجہ سے بیرونی دباؤ بھی سامنے آیا۔ ترسیلات زر اور سامان کی برآمدات میں بہتر نمونے کا وجود، جس میں بالترتیب 11.3% اور 29% کا اضافہ ہوا، درآمدی بل میں سالانہ بنیادوں پر 57% کا مجموعی اضافہ ہوا، اور کرنٹ اکاؤنٹ خسارہ 9.1 ملین امریکی ڈالر تک پہنچ گیا۔ اسی وجہ سے، پاکستانی روپیہ دباؤ میں رہا اور اس مدت کے دوران قدر میں نمایاں طور پر 12% کمی واقع ہوئی۔ یہ دونوں عوامل مجموعی نقطہ نظر کے لحاظ سے غیر یقینی صورتحال کا باعث بنے، کیونکہ سرمایہ کاروں نے مستقبل میں مارجن اور کارپوریٹ منافع پرائیوٹائزیشن کی شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت میں اوسط افراط زر تقریباً 9.8 فیصد رہا۔ بیرونی عدم توازن اور بلند افراط زر دونوں کو کم کرنے کے لیے مرکزی بینک نے اس عرصے کے دوران مالیاتی سختی کا سہارا لیا کیونکہ پہلی ششماہی میں پالیسی شرح میں مجموعی طور پر 2.75% اضافہ کیا گیا۔ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں غیر معمولی تاخیر، جو مارچ 21 سے قحط کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI ابر جنگ مارکیٹ سے MSCI فرنیچر مارکیٹ میں تنزیل بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن بحال کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصہ کے دوران غیر معمولی بیرونی اخراج ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔

مثبت پہلو پر، روشن ڈیجیٹل اکاؤنٹ (RDA) تیزی سے بڑھتا رہا، جیسا کہ مجموعی آمد دسمبر 21 کو 3.2 ملین امریکی ڈالر (1HFY22) میں تقریباً 1.6 ملین امریکی ڈالر کی خالص آمد رہا۔ ملک نے ترقی پذیر اور ترقی یافتہ رکن ممالک کے لیے 650 ملین امریکی ڈالر کی تاریخی فنڈنگ کے تحت اپنے نئے انیشیال ڈرائنگ رائٹس (SDR) کے تحت آئی ایم ایف سے تقریباً 2.75 ملین امریکی ڈالر وصول کیے۔ اس کے علاوہ، ملک سعودی عرب سے 4.2 ملین امریکی ڈالر امدادی چیک حاصل کرنے میں کامیاب رہا، جس میں سے 3 ملین امریکی ڈالر SBP کے پاس ڈیپازٹ اور باقی سال کے دوران موخر ادائیگیوں پر تیل کی سپلائی کے طور پر شال تھا۔

مارکیٹ کی سیکٹر وائز کارکردگی کے پیش نظر، آٹوموبائل اسمبلرز، کیمیکلز، کمرشل بینکس، کھادیں، خوراک اور ذاتی نگہداشت، گلاس اینڈ سراسرکس، تیل و گیس ایکسپلوریشن، بجلی پیداوار تقسیم کرنے، اور ٹیکسٹائل کمپوز سیکٹر نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور ایسیریز، کمیل اور الیکٹرونکس کا سامان، سیمنٹ، انجینئرنگ، انشورنس، تیل و گیس مارکیٹنگ، کاغذ اور بورڈ، دواسازی، ریفرنسز، ٹیکنالوجی اور کمیونیکیشن، اور وینا سہتی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیر جائزہ مدت کے دوران بالترتیب 72 ملین امریکی ڈالر، 66 ملین امریکی ڈالر اور 60 ملین امریکی ڈالر کی خالص آمدنی کے ساتھ بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 250 ملین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے زیادہ فروخت کنندگان رہے۔

موجودہ مدت کے اختتام پر NBP اسلامک انرجی فنڈ کا سائز 697 ملین روپے رہا۔ جو 30 جون 2021 سے 19% کم ہے۔ اس مدت کے دوران، NBP اسلامک انرجی فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.4868 روپے سے کم ہو کر 31 دسمبر 2021 کو 8.9083 روپے ہو گئی، لہذا 6.1% کمی کی ظاہر کی۔ بیچ مارک (KMI-30 انڈیکس) سے 6.4% کم ہوا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 0.3% بہتر رہی۔ اپنے قیام کے وقت (21 اپریل 2016) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے بیچ مارک میں 21.6% اضافہ کے مقابلے میں 1.0% کا اضافہ ظاہر کیا۔ اس طرح فنڈ کی کارکردگی اپنے بیچ مارک سے 20.6% اتر رہی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ وکرز و ملیٹری فنڈ کی پروپوزنگ ریورس کردی گئی۔ اس پرویشن 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۔ زیر جائزہ مدت کے دوران فنڈ کو 35.42 ملین روپے کا نقصان ہوا۔ 18.43 ملین روپے کے اخراجات منہا کرنے کے بعد مجموعی نقصان 53.85 ملین روپے ہے۔

31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NIEF کی کارکردگی بمقابلہ بینچ مارک



اظہار تشکر

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

یورڈ 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 یورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Energy Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 25, 2022



## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of NBP Islamic Energy Fund (Formerly NAFA Islamic Energy Fund ) (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the interim financial statements). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other Matters**

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2021.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb**.

**Grant Thornton Anjum Rahman**

Chartered Accountants

Date: February 23, 2022

Karachi



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

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees in 000-----	
<b>ASSETS</b>			
Bank balances	4	17,687	38,604
Investments	5	678,854	849,498
Profit receivable	6	118	217
Dividend receivable		-	1,269
Receivable against issuance of units		6,813	-
Deposits and other receivables	7	5,618	5,604
<b>Total assets</b>		<b>709,090</b>	<b>895,192</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	8	7,559	8,234
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	137	171
Payable to the Securities and Exchange Commission of Pakistan	10	81	136
Payable against redemption of units		329	1,210
Payable against purchase of investments		-	310
Accrued expenses and other liabilities	11	4,097	19,691
<b>Total liabilities</b>		<b>12,203</b>	<b>29,752</b>
<b>NET ASSETS</b>		<b>696,887</b>	<b>865,440</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>696,887</b>	<b>865,440</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>			
		<b>78,228,818</b>	<b>91,226,104</b>
<b>NET ASSET VALUE PER UNIT</b>			
		<b>8.9083</b>	<b>9.4868</b>

The annexed notes from 1 to 20 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

		Half year ended December 31,		Quarter ended December 31,	
		2021	2020	2021	2020
Note		----- Rupees in 000 -----			
<b>INCOME</b>					
(Loss)/gain on sale of investments - net		(17,784)	22,320	(10,473)	5,444
Dividend income		37,245	12,502	18,779	10,569
Profit on bank balances		927	880	272	415
Unrealised (diminution) / appreciation on premeasurement of investments classified as financial asset 'at fair value through profit or loss' - net	5.1.2	(70,843)	38,359	(199)	(12,961)
<b>Total (loss) / income</b>		<b>(50,455)</b>	<b>74,061</b>	<b>8,379</b>	<b>3,467</b>
<b>EXPENSES</b>					
Remuneration of NBP Fund Management Limited - The management Company	8.1	6,072	3,964	2,858	1,772
Sindh Sales Tax on remuneration of the Management Company		789	516	371	231
Reimbursement of allocated expenses	8.3	779	306	381	160
Reimbursement of Selling and marketing expenses	8.4	8,203	4,303	3,906	2,111
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		810	529	382	237
Sindh Sales Tax on remuneration of the Trustee		105	69	49	31
Annual fee of the Securities and Exchange Commission of Pakistan		81	53	38	24
Amortisation of preliminary expenses and floatation costs		-	230	-	115
Auditors' remuneration		406	360	203	303
Securities transaction cost		624	631	307	253
Legal and professional charges		287	58	255	9
Printing charges		33	-	13	-
Listing fee		14	14	7	7
Shari'ah advisor fee		56	32	47	12
Settlement and bank charges		174	235	148	129
<b>Total operating expenses</b>		<b>18,433</b>	<b>11,300</b>	<b>8,965</b>	<b>5,394</b>
<b>Net (loss) /profit from operating activities</b>		<b>(68,888)</b>	<b>62,761</b>	<b>(586)</b>	<b>(1,927)</b>
Reversal/(Provision) against Sindh Workers' Welfare Fund	11.1	15,034	(1,255)	-	(39)
<b>Net (loss) / profit for the period before taxation</b>		<b>(53,854)</b>	<b>61,506</b>	<b>(586)</b>	<b>(1,966)</b>
Taxation	14	-	-	-	-
<b>Net (loss) / profit for the period after taxation</b>		<b>(53,854)</b>	<b>61,506</b>	<b>(586)</b>	<b>(1,966)</b>
<b>Earning / (loss) per unit</b>	15				
<b>Allocation of net (loss) for the period:</b>					
Net income for the period after taxation		-	61,506	-	-
Income already paid on units redeemed		-	(26,355)	-	-
		-	35,151	-	-
<b>Accounting(loss) / income available for distribution:</b>					
- Relating to capital gains		-	35,151	-	-
- Excluding capital gains		-	-	-	-
		-	35,151	-	-

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	----- Rupees in 000 -----			
<b>Net (loss) / profit for the period after taxation</b>	<b>(53,854)</b>	61,506	<b>(586)</b>	(1,966)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(53,854)</u></b>	<u>61,506</u>	<b><u>(586)</u></b>	<u>(1,966)</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021			December 31, 2020		
	Capital value	Undistributed income/(loss)	Total	Capital value	Undistributed income	Total
	(Rupees in 000)			(Rupees in 000)		
Net assets at beginning of the period (audited)	806,978	58,462	865,440	573,989	24,570	598,559
Issuance of 39,771,780 units (December 31, 2020: 42,852,309 units)						
- Capital value (at net asset value per unit at the beginning of the period)	377,307	-	377,307	363,670	-	363,670
- Element of income	(10,330)	-	(10,330)	30,414	-	30,414
Total proceeds on issuance of units	366,977		366,977	394,085	-	394,085
Redemption of 52,769,066 units (December 31, 2020: 60,496,772 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(500,610)	-	(500,610)	(513,412)	-	(513,412)
- Element of (loss) / income	18,934	-	18,934	(19,804)	(26,355)	(46,159)
Total payments on redemption of units	(481,676)	-	(481,676)	(533,216)	(26,355)	(559,571)
Total comprehensive (loss) / income for the period	-	(53,854)	(53,854)	-	61,506	61,506
<b>Net assets at end of the period (un-audited)</b>	<b>692,279</b>	<b>4,608</b>	<b>696,887</b>	<b>434,858</b>	<b>59,721</b>	<b>494,579</b>
Undistributed income brought forward (June 30, 2021 and June 30, 2020)						
- Realised income		59,366			43,207	
- Unrealised loss		(904)			(18,637)	
		58,462			24,570	
Accounting income available for distribution						
- Relating to capital (loss) / gains		(53,854)			35,151	
- Excluding capital (loss) / gains		-			-	
		(53,854)			35,151	
Undistributed income carried forward		4,608			59,721	
Undistributed income carried forward						
- Realised income		75,451			21,362	
- Unrealised (loss)/income		(70,843)			38,359	
		4,608			59,721	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		9.4868			8.4866	
Net assets value per unit at end of the period		8.9083			9.3519	

The annexed notes from 1 to 20 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 HALF YEAR ENDED DECEMBER 31, 2021

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Note	-----Rupees in 000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / profit for the period before taxation	(53,854)	61,506
<b>Adjustments for:</b>		
Unrealised (diminution) / appreciation on premeasurement of investments classified as financial assets 'at fair value through profit or loss' - net Capital gain	70,843	(38,359)
Amortisation of preliminary expenses and floatation costs	-	230
	<u>16,989</u>	<u>23,377</u>
<b>Working capital changes</b>		
<b>Decrease / (increase) in assets</b>		
Investments - net	99,801	175,278
Profit receivable	99	43
Dividend receivable	1,269	-
Receivable against issue of units	(6,813)	-
Deposits, prepayments and other receivables	(14)	(1,872)
	<u>94,342</u>	<u>173,449</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to NBP Fund Management Limited - Management company	(675)	296
Payable to Central Depository Company of Pakistan Limited - Trustee	(34)	(24)
Payable to the Securities and Exchange Commission of Pakistan	(55)	(57)
Payable against purchase of investments	(310)	(175)
Accrued expenses and other liabilities	(15,594)	1,513
	<u>(16,668)</u>	<u>1,553</u>
<b>Net cash generated from operating activities</b>	<u>94,663</u>	<u>198,379</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	366,977	377,336
Payments on redemption of units	(482,557)	(559,952)
<b>Net cash (used) in financing activities</b>	<u>(115,580)</u>	<u>(182,616)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(20,917)</u>	<u>15,763</u>
Cash and cash equivalents at the beginning of the period	38,604	30,237
<b>Cash and cash equivalents at the end of the period</b>	<u>4</u> <u>17,687</u>	<u>46,000</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Energy Fund (Formerly NAFA Islamic Energy Fund) (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on March 28, 2016 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

The Fund has been categorised as an open ended "Shariah compliant equity scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the securities and exchange commission of Pakistan and is listed on the Pakistan Stock Exchange Limited.

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of Shari'ah compliant energy sector equity instruments. The investment objectives and policies are explained in the Fund's Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 as at June 23, 2021 (2020 AM1) to the Management Company. The Fund has not yet been rated.

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

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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



- 2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. 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.
- 2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.
- 2.4** The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

- 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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the audited annual 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 audited annual financial statements as at and for the year ended June 30, 2021.

#### **3.3 Standards, Amendments And Interpretations To Approved Accounting Standards**

##### **Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>New or Revised Standard or Interpretation</b>	<b>Effective Date "(Annual periods beginning on or after)"</b>
Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.



**Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)**

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

## Standard or Interpretation

**IASB effective date**  
**"(Annual periods beginning on or after)"**

IFRS 17 'Insurance Contracts'

January 1, 2023

(Un-audited) (Audited)  
December 31, June 30,  
2021 2021  
Note ----- Rupees in 000 -----

## 4 BANK BALANCES

Savings accounts  
Current accounts

4.1 15,304 34,173  
2,383 4,431  
17,687 38,604

- 4.1 These include balances of Rs. 9.778 million (June 30, 2021: Rs. 25.176 million) maintained with BankIslami Pakistan Limited (related party), that carry profit at the rates ranging from 6.8% to 10.2% (June 30, 2021: 6.5%) per annum. Other savings accounts of the Fund carry profit rates ranging from 6.6% to 11.04% (June 30, 2021: 6.5% to 7.16%) per annum.

(Un-audited) (Audited)  
December 31, June 30,  
2021 2021

## 5 INVESTMENTS

Note ----- Rupees in 000 -----

**Financial assets at fair value through profit or loss'**  
**-(FVTPL)**

Listed equity securities

5.1 678,854 849,498

## 5.1 Investments in equity securities - listed

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right issue	Sold during the period	As at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of Total investment	Market value as a percentage of Net Assets	Holding as a percentage of paid up capital of the investee company
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						Rupees in '000			
Number of shares						%			
OIL AND GAS MARKETING COMPANIES									
Sui Northern Gas Pipelines Limited	652,700	-	-	313,000	339,700	11,363	1.67	1.63	0.05
Pakistan State Oil Limited	337,089	-	-	30,300	306,789	55,802	8.22	8.01	0.06
Hi-Tech Lubricant Limited	61,200	60,000	9,940	11,500	119,640	5,204	0.77	0.75	0.10
Attock Petroleum Limited	73,400	-	-	9,500	63,900	20,065	2.96	2.88	0.06
Shell Pakistan Limited	89,800	-	-	10,900	78,900	9,562	1.41	1.37	0.04
						101,996	15.02	14.64	



Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right issue	Sold during the period	As at December 31, 2021	Market value as at December 31, 2021	Market value as a percentage of Total investment	Market value as a percentage of Net Assets	Holding as a percentage of paid up capital of the investee company
----- Number of shares -----						Rupees in '000	----- % -----		
POWER GENERATION AND DISTRIBUTION									
Hub Power Company limited	1,300,529	-	-	261,400	1,039,129	74,132	10.92	10.64	0.08
K-Electric Ltd.	5,982,500	-	-	5,982,500	-	-	-	-	-
Lalpir Power limited	626,500	-	-	473,000	153,500	2,165	0.32	0.31	0.04
						76,298	11.24	10.95	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	91,595	-	-	11,780	79,815	132,032	19.45	18.95	0.06
Oil & Gas Development Company Limited	1,492,300	162,000	-	239,300	1,415,000	121,973	17.97	17.50	0.03
Pak Oilfields Limited	291,641	64,500	-	65,200	290,941	104,046	15.33	14.93	0.10
Pak Petroleum Limited	1,602,496	152,000	-	374,900	1,379,596	109,043	16.06	15.65	0.05
						467,095	68.81	67.03	
REFINERY									
Attock Refinery Limited	29,800	22,000	-	-	51,800	7,460	1.10	1.07	0.05
National Refinery Limited	14,400	11,500	-	-	25,900	7,370	1.09	1.06	0.04
Cnergyico PK Limited / Byco	700,000	2,036,500	-	-	2,736,500	18,635	2.75	2.67	0.04
						33,466	4.93	4.80	
Total as at Dec 31, 2021						678,854	100.00	97.41	
Carrying value as at Dec 31, 2021						749,698			
Market Value as at June 30, 2021						849,498			
Carrying Value as at June 30, 2021						850,402			

**5.1.1** Investments include shares with market value amounting to Rs 76.574 million (June 30, 2021: Rs 81.133 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

Name of Investee Company	Shares pledged	Market value (Rs. in '000)
The Hub Power Company Limited	100,000	7,134
Mari Petroleum Company Limited	15,000	24,813
Oil & Gas Development Company Limited	100,000	8,620
Pakistan Oilfields Limited	20,000	7,152
Pakistan Petroleum Limited	250,000	19,760
Pakistan State Oil Company Limited	50,000	9,095
		<b>76,574</b>



		(Un-audited) December 31, 2021	(Audited) December 31, 2020
<b>5.1.2 Unrealised appreciation / (diminution) on premeasurement of investments classified as financial assets at 'fair value through profit or loss'</b>	<b>Note</b>	<b>-----Rupees in '000-----</b>	
Market value of securities	5.1	<b>678,855</b>	445,719
Less: carrying value of securities	5.1	<b>(749,698)</b>	(407,360)
		<b>(70,843)</b>	38,359

- 5.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five % of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five % of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 % of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the prior year. During the prior period, the CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019.

In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five % of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the prior period were not withheld by the investee companies.

As at December 31, 2021, the following bonus shares of the Fund have been withheld by a investee company at the time of declaration of bonus shares. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the company	December 31, 2021		June 30, 2021	
	Bonus Shares		Bonus Shares	
	Number	Market value Rs in '000	Number	Market value Rs in '000
Pakistan State Oil Company Limited	4,805	<u>874</u>	4,805	<u>224</u>



		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees in 000-----	
<b>6 PROFIT RECEIVABLE</b>			
Profit receivable on bank balances	6.1	<u>118</u>	<u>217</u>
6.1	This includes an amount of Rs 0.0795 million (June 30, 2021: Rs 0.1008 million) as profit receivable from BankIslami Pakistan Limited (a related party).		
<b>7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Security deposits with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Advance tax		3,004	3,004
Prepaid listing fee		14	-
		<u>5,618</u>	<u>5,604</u>
		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>8 PAYABLE TO NBP FUND MANAGEMENT LIMITED MANAGEMENT COMPANY</b>	Note	-----Rupees in 000-----	
Management remuneration payable	8.1	909	1,135
Sindh Sales Tax payable on remuneration of the Management Company		118	148
Federal excise duty payable on remuneration of the Management Company	8.2	583	583
Reimbursement of Allocated expenses payable	8.3	381	333
Reimbursement of Selling and marketing expenses payable	8.4	3,906	4,443
Sales load and transfer load payable		107	46
Federal Excise Duty payable on sales load		1,501	1,501
ADC share - Payable to Management Company		3	2
Sindh Sales Tax payable on sales load		35	27
Other payable		16	16
		<u>7,559</u>	<u>8,234</u>

**8.1** The Management Company has charged its remuneration at the rate of 1.5% per annum of the average annual net assets from July 1, 2021 to December 31, 2021 (June 30, 2020: 1.5% per annum of the average annual net assets). The remuneration is payable to the Management Company monthly in arrears.

**8.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 % on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.





In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from April 19, 2016 till June 30, 2016 amounting to Rs 0.583 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2021 would have been higher by Rs 0.0075 (June 30, 2021: Rs 0.0064) per unit.

- 8.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Effective dates	Applicable rates
From July 1, 2021 till July 25, 2021	0.15% per annum of the average annual net assets
From July 26, 2021 till December 31, 2021	0.2% per annum of the average annual net assets

- 8.4 Management has charged selling and marketing expenses at the below mentioned rates, duly approved by the Board of Directors of the Management Company:

Effective dates	Applicable rates
From July 1, 2021 till September 19, 2021	2% per annum of average daily net assets
From September 20, 2021 till December 31, 2021	2.05% per annum of average daily net assets

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
9	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE</b>	Note ----- Rupees in 000 -----	
	Trustee fee payable	9.1 121	151
	Sindh Sales Tax payable on Trustee fee	16	20
		<u>137</u>	<u>171</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

**On net assets:**

- up to Rs 1,000 million 0.20% p.a. of net assets
- on an amount exceeding Rs 1,000 million Rs 2.0 million plus 0.10% p.a. of net assets, on amount exceeding Rs 1 billion.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
10	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	Note ----- Rupees in 000 -----	
	Annual fee payable	10.1 81	136

- 10.1 The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets during the current period (June 2021: 0.02% per annum of the average annual net assets).





		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	Rupees in 000	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		395	379
Provision against Sindh Workers' Welfare Fund	11.1	-	15,034
Legal and professional charges payable		14	18
Bank charges payable		99	85
Settlement charges payable		96	71
Withholding tax payable		-	1,487
Charity payable	11.2	3,130	2,381
Capital gain tax payable		23	123
Brokerage payable		270	-
Printing charges payable		7	20
Shari'ah advisor fee payable		63	93
		<b>4,097</b>	<b>19,691</b>

**11.1** During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by the fund amounting to Rs. 15.03 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 fund by 1.84% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

**11.2** According to the instructions of the Shari'ah advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the current period, non Shari'ah compliant income amounting to Rs 1.690 million (December 31, 2020: Rs 0.653 million) was charged in the books of the Fund. This will be distributed as charity after the approval of the Shari'ah advisor. The dividend income is recorded net of charity portion.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

## 13 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

## 14 TAXATION

The income of the Fund 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 ninety % of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements. Moreover supertax introduced in the Finance Act, 2015 is not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

## 15 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.



## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2021 is 4.56% (Dec 31, 2020: 4.76%) which includes 0.24% (Dec 31, 2021: 0.72%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a CIS categorized as ' Shariah compliant equity scheme '.

## 17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.
- 17.2** Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 17.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the NBFC Regulations, 2008 Trust Deed.
- 17.4** Details of transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended December 31,	
	2021	2020
	----- Rupees in 000 -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration of the Management Company	6,072	3,964
Sindh Sales Tax on remuneration of the Management Company	789	516
Sales and Transfer load	61	293
Sindh Sales Tax on sales load	8	-
ADC Charges including SST	1	-
Reimbursement of allocated expenses	779	306
Reimbursement Selling and marketing expenses	8,203	4,303
<b>Central Depository Company of Pakistan Limited - The trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited	810	529
Sindh Sales Tax on remuneration of the Trustee	105	69
Settlement charges	-	235
<b>Employees of the Management Company</b>		
Units issued - 31 Dec 2021: 5,417,752 units ) -(December 31, 2020: 10,437,344 units)	49,201	95,548
Units redeemed - 4,468,426 Units ) -(December 31, 2020: 8,687,890 units)	40,568	79,752



	(Un-audited)	
	Half year ended December 31,	
	2021	2020
	----- Rupees in 000 -----	
<b>Bank Islami Pakistan Limited- Common directorship</b>		
Profit on bank balances	456	301
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage expense	30	72
<b>National Clearing Company of Pakistan Limited -Common directorship</b>		
NCCPL charges	163	173
<b>Farida Ali Asghar ( More than 10% Shareholding )**</b>		
Units Redeemed : 20,228,242 Units	188,222	-
Units Issued : 20,228,242 Units	188,222	-
<b>Humayun Bashir ( Director )**</b>		
Units redeemed (1,088,937 Units )	9,841	-
<b>Momin Adamjee Welfare Trust**</b>		
Units Issued ( 4,192,213 Units )	40,000	-
Units redeemed ( 4,192,213 Units )	38,915	-
<b>Pakistan Stock Exchange Limited- Common directorship*</b>		
Listing fee paid	-	25

## 17.5 Amounts / balances outstanding as at period year end are as follows

	(Un-audited)	(Audited)
	December 31, 2021	June 30, 2021
	----- Rupees in 000 -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Management remuneration payable	909	1,135
Sindh Sales Tax payable on remuneration of the Management Company	118	148
Federal Excise Duty payable on remuneration of the Management Company	583	583
Reimbursement of allocated expenses payable	381	333
Reimbursement of Selling and marketing expenses	3,906	4,443
Sales load and transfer load payable	107	46
Federal excise duty payable on sales load	1,501	1,501
Sindh sales tax payable on sales load	35	27
ADC share Payable to AMC	3	2
Other payable	16	16
<b>Employees of the Management Company</b>		
Units held 2,421,222 units (June 30, 2021: 3,943,419 units)	21,569	37,410



	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- Rupees in 000 -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	121	151
Sindh Sales Tax payable on the remuneration of trustee	16	20
Security deposit	100	100
<b>Humayun Bashir - Director*</b>		
Units redeemed ( Nil Units) June 30, 2021 ( 1,088,937 Units )	-	10,331
<b>Farida Ali Asghar (More than 10% Holding)</b>		
Units held (20,228,242 Units ) June 30,2021 (20,228,241 Units )	180,199	191,901
<b>Bank Islami Pakistan Limited- Common directorship</b>		
Bank balances	9,788	25,176
Profit receivable	80	101
<b>Portfolio managed by the Management Company</b>		
Units held 352,267 units (June 30, 2021: 352,267 units)	3,138	3,342
<b>Tauras Securities Limited - Subsidiary of Parent Company</b>		
Brokerage payable	1	20
<b>Hub Power Company Limited- Common directorship *</b>		
Shares held: Nil (June 30, 2021 : 1,300,529 Shares )	-	103,613
<b>National Clearing Company of Pakistan Limited- Common directorship</b>		
NCCPL charges payable	96	71
Security deposit	2,500	2,500

\* Current year figure has not been presented as the person is not classified as a related party / connected person of the fund as at December 31, 2021

\*\* Prior year comparative has not been presented as the person was not related party / connected person of the fund as at June 30, 2021

## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

### 18.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:



Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	Un-audited			
	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
	Rupees in 000			
ASSETS				
Financial assets at fair value through profit or loss'				
- Listed equity securities	678,854	-	-	678,854
	Audited			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	Rupees in 000			
ASSETS				
Financial assets at fair value through profit or loss'				
- Listed equity securities	849,498	-	-	849,498

## 19 GENERAL

19.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

19.2 No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 23, 2022.

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 MAHANA AMDANI FUND

**AM1**  
Rated by PACRA

**HALF YEARLY** REPORT  
DECEMBER 31, 2021



# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."





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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

### Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member
Mr. Saad Amanullah Khan	Member

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Trustee

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

### Bankers to the Fund

Allied Bank Limited	Samba Bank Limited
Askari Bank Limited	Silk Bank Limited
Bank Al Habib Limited	Soneri Bank Limited
Bank Alfalah Limited	Telenor Microfinance Bank Limited
Bank Islami Pakistan Limited	HLB Microfinance Bank Limited
Habib Bank Limited	U Microfinance Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	Mobilink Microfinance Bank Limited
Khushhali Bank Limited	
MCB Bank Limited	
Meezan 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  
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## **Lahore Office:**

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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 reviewed financial statements of **NBP Mahana Amdani Fund (NMAF)** for the half year ended December 31, 2021.

### Fund's Performance

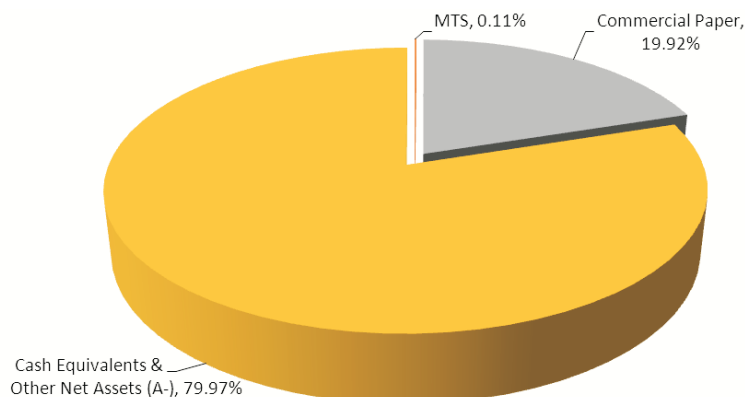
During 1HFY22, the Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%; in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic demand growth. SBP expects inflation to average 9% - 11% during the fiscal year due to the rise in utility charges, motor fuel, house rent, milk and other household consumables. However, in the near-term, MPC expects monetary policy settings to remain broadly unchanged.

During 1HFY22, the SBP held thirteen T-Bill auctions, realizing Rs. 7.7 trillion against a target of Rs. 10.2 trillion and maturity of Rs. 9.5 trillion. The T-Bills yields increased by 3.07%, 3.77% and 3.57% for 3-month, 6-month and 12-month tenures, respectively. This uptick in short-term sovereign yields is primarily reflective of demand versus supply side factors. The market interest tilted towards shorter tenors given the market expectation and uncertainty of monetary easing. In the last auction, cut-off yields on T-Bill for 3-month, 6-month, and 12-month tenures were noted at 10.59%, 11.45% and 11.51%, respectively. In the five PIB auctions, the SBP realized an amount of Rs. 697 billion. In the last auction, cut-off yields for 3-year, 5-year and 10-year tenures were noted at 11.50%, 11.57% and 11.76%, respectively.

The Fund is rated 'AA-(f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund is allowed to invest in MTS. However, NBP Funds' internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

The size of NBP Mahana Amdani Fund has decreased from Rs. 5,287 million to Rs. 4,779 million during the period, a drop of 10%. During the period, the unit price of the Fund has increased from Rs. 10.1883 on June 30, 2021 to Rs. 10.5813 on December 31, 2021, thus showing a return of 7.7% p.a. as compared to the benchmark return of 8.7% 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. 239.16 million during the period. After deducting total expenses of Rs. 40.68 million, the net income is Rs. 198.48 million. The asset allocation of NMAF as on December 31, 2021 is as follows:





## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive**

**Director**

Date: **February 23, 2022**  
Place: Karachi.



## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز ہمدست 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP ماہانہ آمدنی فنڈ (NMAF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

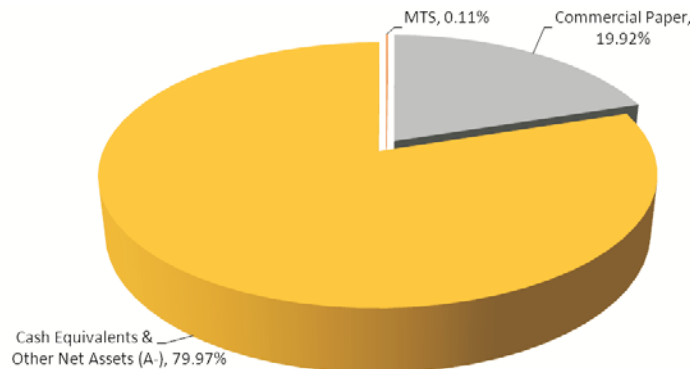
1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراط زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیس پوائنٹس کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراط زر عالمی قیمتیں اور مقامی طلب نموزیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ یوٹیلٹی چارجز، موٹر فیول، ہاؤس رینٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران افراط زر اوسطاً 11%-9% رہنے کی امید ہے۔ تاہم، قریب مدت میں، MPC کو توقعات ہیں کہ مانیٹری پالیسی بڑے پیمانے پر تبدیل نہیں ہوگی۔

مالی سال 22 کی پہلی ششماہی کے دوران، اسٹیٹ بینک پاکستان نے اس عرصے کے دوران تیرہ ٹی بلز کی نیلامی کی، جس میں 10.2 ٹریلین روپے کے ہدف اور 9.5 ٹریلین روپے کی بیچورٹی کے مقابل 7.7 ٹریلین روپے حاصل کئے۔ ٹی بلز کے شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے بالترتیب 3.07 فیصد، 3.77 فیصد اور 3.57 فیصد تک اضافہ ہوا۔ مختصر مدتی شرح منافع میں یہ اضافہ بنیادی طور پر رسد بمقابلہ طلب کے عوامل کی عکاسی ہے۔ مارکیٹ توقعات اور مالیاتی آسانی کی غیر یقینی کو دیکھتے ہوئے مارکیٹ کا جھکاؤ مختصر مدتوں کی طرف رہا۔ گزشتہ نیلامی میں 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے شرح منافع بالترتیب 10.59 فیصد، 11.45 فیصد اور 11.51 فیصد درج کی گئی تھی۔ پانچ PIB ٹیلا میوں میں، SBP نے 697 ٹریلین روپے کی رقم حاصل کی۔ گزشتہ نیلامی میں، 3 سالہ، 5 سالہ اور 10 سالہ کی مدت کے لئے کٹ آف آمدنی بالترتیب 11.50 فیصد، 11.57 فیصد اور 11.76 فیصد درج کی گئی تھی۔

فنڈ کو PACRA کی طرف سے AA-(f) کی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشاندہی کرتی ہے۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NBP فنڈ کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسٹ کلاس میں فنڈ منافع کی پہلے سے طے شدہ شرح منافع پر فائدہ نائنٹک فراہم کرتا ہے اور اسٹاک مارکیٹ میں براہ راست سرمایہ کاری نہیں کرتا۔

اس مدت کے دوران NBP ماہانہ آمدنی فنڈ کا سائز 5,287 ملین روپے سے کم ہو کر 4,779 ملین روپے یعنی 10% کی کمی ہوئی۔ اس مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.1883 روپے سے بڑھ کر 31 دسمبر 2021ء کو 10.5813 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 8.7% کے مقابلے میں 7.7% منافع درج کرایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویز تنگ ریورس کردی گئی۔ اس پرویزن کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ کو اس مدت کے دوران 239.16 ملین روپے کی مجموعی آمدنی ہوئی۔ 40.68 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 198.48 ملین روپے ہے۔ درج ذیل چارٹ 31 دسمبر 2021 کو NBP ماہانہ آمدنی فنڈ کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ منجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Mahana Amdani Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 25, 2022





## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Mahana Amdani Fund** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2021, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 28, 2022

Karachi



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

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	3,827,144	4,278,626
Investments	5	951,742	19,945
Receivable against Margin Trading System (MTS)	6	5,245	1,013,394
Profit receivable		32,605	26,292
Deposits and prepayments		364	640
Receivable against issuance of units		293	35,599
<b>Total assets</b>		<u>4,817,393</u>	<u>5,374,496</u>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company	7	30,087	31,893
Payable to Central Depository Company of Pakistan Limited - Trustee		399	600
Payable to the Securities and Exchange Commission of Pakistan	8	530	1,215
Payable against redemption of units		4,589	5,551
Accrued expenses and other liabilities	9	3,147	47,915
<b>Total liabilities</b>		<u>38,752</u>	<u>87,174</u>
<b>NET ASSETS</b>		<u>4,778,641</u>	<u>5,287,322</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>4,778,641</u>	<u>5,287,322</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>451,613,607</u>	<u>518,960,391</u>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	11	<u>10.5813</u>	<u>10.1883</u>

The annexed notes 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
Note ----- (Rupees in '000) -----				
<b>INCOME</b>				
Profit on bank deposits	155,068	132,346	76,767	73,625
Income on government securities	19,981	32,989	14,203	24,136
Income on commercial papers	18,853	9,014	15,433	6,801
Income on term deposit receipts	-	8,909	-	7,729
Income on letters of placement	1,646	3,404	1,646	-
Income from Margin Trading System (MTS)	28,628	69,787	3,783	34,905
	224,176	256,449	111,832	147,196
(Loss) / gain on sale of investments - net	(177)	(284)	(153)	-
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4 -	5	(8)	9
	(177)	(279)	(161)	9
<b>Total income</b>	223,999	256,170	111,671	147,205
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - the Management Company	7.1 4,101	4,489	1,908	2,691
Sindh Sales Tax on remuneration of the Management Company	7.2 533	584	248	350
Reimbursement of allocated expenses	7.4 3,312	3,312	1,589	2,114
Reimbursement of selling and marketing expenses	7.5 24,826	18,248	13,007	12,558
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	1,987	2,244	953	1,345
Sindh Sales Tax on remuneration of the Trustee	258	292	124	175
Annual fee of the Securities and Exchange Commission of Pakistan	8.1 530	598	254	358
Settlement and bank charges	3,973	8,199	885	4,188
Listing fee	14	14	7	7
Auditors' remuneration	520	443	280	262
Legal and professional charges	305	116	204	93
Rating fee	290	264	146	132
Printing and other charges	35	77	24	-
<b>Total operating expenses</b>	40,684	38,880	19,629	24,273
<b>Net income from operating activities</b>	183,315	217,290	92,042	122,932
Reversal of provision / (provision) against Sindh Workers' Welfare Fund - net	9.1 15,169	(4,346)	-	(2,459)
<b>Net income for the period before taxation</b>	198,484	212,944	92,042	120,473
Taxation	12 -	-	-	-
<b>Net income for the period after taxation</b>	198,484	212,944	92,042	120,473
<b>Earnings per unit</b>	13			
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	198,484	212,944	92,042	120,473
Income already paid on units redeemed	(45,248)	(99,898)	(32,276)	(88,655)
	153,236	113,046	59,766	31,818
<b>Accounting income available for distribution</b>				
- Relating to capital gains	-	-	-	9
- Excluding capital gains	153,236	113,046	59,766	31,809
	153,236	113,046	59,766	31,818

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended, December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	198,484	212,944	92,042	120,473
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>198,484</u>	<u>212,944</u>	<u>92,042</u>	<u>120,473</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)						
Net assets at the beginning of the period (audited)	5,267,767	19,555	5,287,322	2,913,724	14,187	2,927,911
Issuance of 607,902,916 units (2020: 1,122,381,645 units)						
- Capital value (at ex - net asset value per unit)	6,193,497	-	6,193,497	11,421,917	-	11,421,917
- Element of income	137,272	-	137,272	180,697	-	180,697
Total proceeds on issuance of units	6,330,769	-	6,330,769	11,602,614	-	11,602,614
Redemption of 675,249,700 units (2020: 839,125,338 units)						
- Capital value (at ex - net asset value per unit)	(6,879,647)	-	(6,879,647)	(8,539,359)	-	(8,539,359)
- Element of loss	(113,039)	(45,248)	(158,287)	(111,769)	(99,898)	(211,667)
Total payments on redemption of units	(6,992,686)	(45,248)	(7,037,934)	(8,651,128)	(99,898)	(8,751,026)
Total comprehensive income for the period	-	198,484	198,484	-	212,944	212,944
Distribution during the period @ Re 0.3620 per unit (date of declaration: December 24, 2020)	-	-	-	(67,711)	(105,075)	(172,786)
<b>Net assets at the end of the period (un-audited)</b>	<b>4,605,850</b>	<b>172,791</b>	<b>4,778,641</b>	<b>5,797,499</b>	<b>22,158</b>	<b>5,819,657</b>
Undistributed income brought forward						
- Realised income		19,554			14,106	
- Unrealised income		1			81	
		19,555			14,187	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		153,236			113,046	
		153,236			113,046	
Distributions during the period		-			(105,075)	
Undistributed income carried forward		172,791			22,158	
Undistributed income carried forward						
- Realised income		172,791			22,153	
- Unrealised income		-			5	
		172,791			22,158	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		10.1883			10.1765	
Net asset value per unit at the end of the period		10.5813			10.1926	

The annexed notes 1 to 18 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 HALF YEAR ENDED DECEMBER 31, 2021

		Half year ended December 31,	
		2021	2020
Note		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Net income for the period before taxation	198,484	212,944
<b>Adjustments:</b>			
	Profit on bank deposits	(155,068)	(132,346)
	Income on government securities	(19,981)	(32,989)
	Income on commercial papers	(18,853)	(9,014)
	Income on term deposit receipts	-	(8,909)
	Income on letters of placement	(1,646)	(3,404)
	Income from Margin Trading System (MTS)	(28,628)	(69,787)
	Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4 -	(5)
	(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	9.1 (15,169)	4,346
		(239,345)	(252,108)
<b>Decrease / (Increase) in assets</b>			
	Investments - net	(951,742)	(310,504)
	Receivable against Margin Trading System	1,008,149	(1,292,875)
	Deposits and prepayments	276	251
		56,683	(1,603,128)
<b>(Decrease) / Increase in liabilities</b>			
	Payable to NBP Fund Management Limited - Management Company	(1,806)	17,055
	Payable to Central Depository Company of Pakistan Limited - Trustee	(201)	775
	Payable to the Securities and Exchange Commission of Pakistan	(685)	237
	Accrued expenses and other liabilities	(29,599)	10,359
		(32,291)	28,426
	Profit received on bank deposits, term deposit receipts, government securities, commercial papers and letters of placement	217,863	242,063
	<b>Net cash generated from / (used in) operating activities</b>	201,394	(1,371,803)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Net receipts from issuance of units - net of refund of capital	6,366,075	11,564,965
	Net payments against redemption of units	(7,038,896)	(8,760,094)
	Distributions pay-out	-	(105,075)
	<b>Net cash flows (used in) / generated from financing activities</b>	(672,821)	2,699,796
	<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(471,427)	1,327,993
	Cash and cash equivalents at the beginning of the period	4,298,571	2,499,854
	<b>Cash and cash equivalents at the end of the period</b>	4.3 3,827,144	3,827,847

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Mahana Amdani 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 approved by the Securities and Exchange Commission of Pakistan (SECP) on October 9, 2009, in accordance with the Non-Banking and Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP 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 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' pursuant to the provisions contained in Circular 7 of 2009.

The objectives of the Fund are to minimise risk, preserve capital and to provide reasonable return to investors along with a high degree of liquidity from a portfolio primarily constituting of bank deposits and money market investments.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2021: AM1) 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 "AA-(f)" (2021: "AA-(f)" on April 16, 2021) dated October 18, 2021.

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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.



**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the 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.

**2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2021.

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN**

**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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the audited annual 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 audited annual financial statements as at and for the year ended June 30, 2021.

#### **3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period:**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### **3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective:**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2022. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

<b>4 BANK BALANCES</b>	<b>Note</b>	<b>(Un-audited) December 31, 2021</b>	<b>(Audited) June 30, 2021</b>
		<b>----- (Rupees in '000) -----</b>	
Balances with banks in:			
Savings accounts	4.1	3,825,393	4,272,668
Current accounts	4.2	1,751	5,958
		<u>3,827,144</u>	<u>4,278,626</u>

**4.1** These include balances amounting to Rs 17.12 million, Rs 3.26 million, Rs 515.335 million and Rs 0.001 million (2021: Rs 16.458 million, Rs 13.269 million, Rs 493.624 million and Rs Nil respectively) maintained with BankIslami Pakistan Limited, National Bank of Pakistan, Khushhali Microfinance Bank Limited and Telenor Microfinance Bank Limited (related parties) respectively, that carry profit at the rates 10.2%, 2%, 8% and 11% per annum respectively (2021: 7%, 4.5%, 8% and 8.5% per annum). Other savings accounts of the Fund carry profits at the rates ranging from 7.25% to 11.50% per annum (2021: 5.51% to 9% per annum).

**4.2** This represents a balance of Rs 1.751 million (2021: Rs 1.751 million) maintained with National Bank of Pakistan (a related party).





		(Un-audited) December 31, 2021	(Audited) June 30, 2021
4.3	Cash and cash equivalents:	Note	----- (Rupees in '000) -----
	Balances with banks	4	3,827,144
	Government securities - Market Treasury Bills	5.1	-
			<u>3,827,144</u>
			<u>4,298,571</u>

## 5 INVESTMENTS

### At fair value through profit or loss

Government securities - Market Treasury Bills	5.1	-	19,945
Commercial papers	5.2	951,742	-
Letters of placement	5.3	-	-
		<u>951,742</u>	<u>19,945</u>

### 5.1 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2021	Unrealised appreciation	Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021			total investments	net assets
		(Rupees in '000)						(%)	
June 3, 2021	3	-	395,000	395,000	-	-	-	-	-
August 27, 2020	12	-	440,000	440,000	-	-	-	-	-
May 6, 2021	6	-	1,100,000	1,100,000	-	-	-	-	-
March 25, 2021	6	-	185,000	185,000	-	-	-	-	-
July 15, 2021	3	-	250,000	250,000	-	-	-	-	-
July 29, 2021	3	-	275,000	275,000	-	-	-	-	-
October 21, 2021	3	-	100,000	100,000	-	-	-	-	-
April 22, 2021	3	20,000	-	20,000	-	-	-	-	-
May 20, 2021	3	-	150,000	150,000	-	-	-	-	-
June 3, 2021	6	-	955,000	955,000	-	-	-	-	-
Total		20,000	3,850,000	3,870,000	-	-	-	-	-

Carrying value as at December 31, 2021

-

Market value as at June 30, 2021

19,945

Carrying value as at June 30, 2021

19,944

- 5.1.1 Investments in Market Treasury Bills with market value of Rs Nil (2021: Rs 19.945 million) have been pledged with National Clearing Company of Pakistan Limited as collateral against margin in accordance with Circular 11 of 2007 by the SECP.



## 5.2 Commercial papers

Name of security	Security rating	Number of certificates				As at December 31, 2021			Market value as a percentage of	
		As at July 1, 2021	Purchased during the period	Matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)	total investments	net assets
----- (Rupees in '000) -----      ----- (%) -----										
POWER GENERATION & DISTRIBUTION										
K-Electric Limited CP 01	A-1+, PACRA	-	450,000	-	450,000	445,060	445,060	-	46.76%	9.31%
Lucky Electric Power Company Limited ICP-1	A-1, PACRA	-	425,000	-	425,000	411,315	411,315	-	43.22%	8.61%
JS Global Capital Limited CP	A-1+, VIS	-	149,000	-	149,000	95,367	95,367	-	10.02%	2.00%
Total as at December 31, 2021						951,742	951,742	-	100.00%	19.92%
Total as at June 30, 2021						-	-			

5.2.1 These carry profit ranging from 8.01% to 12.06% (2021: Nil) per annum and are due to mature latest by May 30, 2022.

## 5.3 Letters of placement

Name of the Investee Company	Rating of investee company	Maturity date	As at July 1, 2021	Amount placed		As at December 31, 2021	As at December 31, 2021		Market value as a percentage of	
				Purchased during the period	Matured during the period		Carrying value	Market value	Total investments	Net assets
----- (Rupees in '000) -----										
----- (%) -----										
DEVELOPMENT FINANCE INSTITUTION										
Pak Oman Investment Company Limited	AA+, VIS	December 7, 2021	-	450,000	450,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	AAA, VIS	December 13, 2021	-	400,000	400,000	-	-	-	-	-
Total as at December 31, 2021			-	450,000	450,000	-	-	-	-	-
Total as at June 30, 2021								-	-	

## 5.4 Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
Market value of investments	5.1, 5.2 & 5.3	951,742	19,945
Less: carrying value of investments	5.1, 5.2 & 5.3	(951,742)	(19,944)
		<u>-</u>	<u>1</u>

## 6 RECEIVABLE AGAINST MARGIN TRADING SYSTEM

Receivable against MTS	6.1	<u>5,245</u>	<u>1,013,394</u>
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6.1 These carry average profit rate of 10.26% (2021: 9.45%) per annum.



		(Un-audited) December 31, 2021	(Audited) June 30, 2021
7	<b>PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>	Note	(Rupees in '000)
	Remuneration payable to the Management Company	7.1	623
	Sindh Sales Tax on remuneration of the Management Company	7.2	80
	Federal Excise Duty on remuneration of the Management Company	7.3	10,620
	Provision for Federal Excise Duty on sales load	7.3	292
	Reimbursement of allocated expenses payable	7.4	1,589
	Reimbursement of selling and marketing expenses payable	7.5	13,007
	Sales and transfer load payable		1,910
	Sindh sales tax on sales load		248
	ADC charges payable including Sindh sales tax		1,430
	Others		288
			<u>30,087</u>
			<u>31,893</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% of net income of the Fund subject to floor and capping of 0.15% and 1% per annum of average annual net assets (2021: 1% of net income of the Fund subject to floor and capping of 0.15% and 1% per annum of average annual net assets).

The remuneration is payable to the Management Company in arrears.

- 7.2** During the period, an amount of Rs 0.533 million (December 31, 2020: Rs. 0.584 million) was charged on account of sales tax on management fee levied through the Sindh Sales tax on Services Act, 2011 at the rate of 13% (December 31, 2020: 13%).

- 7.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 10.912 million (2021: Rs 10.912 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2021 would have been higher by Re 0.0242 (2021: Re 0.021) per unit.

- 7.4** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).



The Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from July 1, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to June 30, 2021
0.125% of average annual net assets	0.1% of average annual net assets	0.125% of average annual net assets

- 7.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008.

Rate applicable from November 12, 2021 to December 31, 2021	Rate applicable from August 16, 2021 to November 11, 2021	Rate applicable from August 2, 2021 to August 15, 2021	Rate applicable from July 1, 2021 to August 1, 2021	Rate applicable from September 14, 2020 to June 30, 2021
1.07% per annum of average daily net assets	0.97% per annum of average daily net assets	0.85% per annum of average daily net assets	0.7% per annum of average daily net assets	0.7% per annum of average daily net assets

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>	<b>Note</b> ----- (Rupees in '000) -----	
Fee payable	8.1 530	1,215
<b>8.1</b>	Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2021: 0.02%) of the average annual net assets of the Fund.	

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b> ----- (Rupees in '000) -----	
Provision against Sindh Workers' Welfare Fund	9.1 -	15,169
Auditors' remuneration	479	528
Printing charges payable	20	60
Settlement charges payable	76	-
Bank charges payable	9	16
Withholding tax payable	79	27,037
Capital gains tax payable	1,388	4,015
Legal and professional charges payable	90	85
Laga and levy charges payable	1	-
Others	1,005	1,005
	<u>3,147</u>	<u>47,915</u>

- 9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of



SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 15.169 million recognised in these condensed interim financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 and June 30, 2021.

## 11 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

## 12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon 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, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

## 13 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.54% (December 31, 2020: 1.44%) which includes 0.05% (December 31, 2020: 0.19%) representing Government Levies on the Fund such as sales taxes and the annual fee to the SECP. The prescribed limit for the ratio is 2.5% (December 31, 2020: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

## 15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 15.1 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.

- 15.2** 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.
- 15.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 15.6** Details of the transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended	
	December 31,	
	2021	2020
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration of NBP Fund Management Limited - the Management Company	4,101	4,489
Sindh Sales Tax on remuneration of Management Company	533	584
Sales load including Sindh Sales Tax	9,959	24,019
Reimbursement of allocated expenses	3,312	3,312
Reimbursement of selling and marketing expenses	24,826	18,248
ADC charges including Sindh Sales Tax	999	426
Units issued during the period - Nil units (December 31, 2020: 47,489,425 units)	-	492,022
Units redeemed during the period - Nil units (December 31, 2020: 59,814,143 units)	-	619,803
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	1,987	2,244
Sindh Sales Tax on remuneration of the Trustee	258	292
Settlement charges	502	1,405
<b>Employees of the Management Company</b>		
Dividend reinvestment units issued: Nil units (December 31, 2020: 33,395 units)	-	340
Units issued - 2,014,438 units (December 31, 2020: 26,553,157 units)	20,962	274,426
Units redeemed - 2,340,457 units (December 31, 2020: 21,075,817 units)	24,427	219,743
<b>Dr Amjad Waheed - Chief Executive Officer of the Management Company</b>		
Dividend reinvestment units issued: Nil units (December 31, 2020: 1 unit)**	-	-
Units issued - Nil units (December 31, 2020: 75 units)	-	1
<b>Muhammad Murtaza Ali - Company Secretary / Chief Operation Officer of the Management Company</b>		
Dividend reinvestment units issued: Nil units (December 31, 2020: 2,309 units)	-	24
Units redeemed - 33,653 units (December 31, 2020: 95,638 units)	351	1,003
<b>Fauji Fertilizer Company Limited (common directorship)</b>		
Units issued - Nil units (December 31, 2020: 74,563,914 units)	-	760,000
Units redeemed - Nil units (December 31, 2020: 74,563,914 units)	-	784,002



	<b>(Un-audited)</b>	
	<b>Half year ended</b>	
	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Portfolio managed by the Management Company</b>		
Dividend reinvestment units issued: Nil units (December 31, 2020: 9,604 units)	-	98
Units issued - 5,098,594 units (December 31, 2020: 40,598,533 units)	52,715	421,301
Units redeemed - 10,197,188 units (December 31, 2020: 39,429,566 units)	106,470	411,892
<b>BankIslami Pakistan Limited (common directorship)</b>		
Profit on bank deposit	250	51
<b>National Bank of Pakistan - (parent of the Management Company)</b>		
Profit on bank deposit	2,025	220
Purchase of Market Treasury Bills	949,501	-
<b>Khushhali Microfinance Bank Limited (common directorship)</b>		
Profit on bank deposit	22,903	18,257
<b>Indus Motor Company Limited- unit holder with more than 10% holding</b>		
Units issued: Nil units (December 31, 2020: 68,719,751 units)	-	700,000
<b>National Clearing Company of Pakistan Limited (common directorship)</b>		
NCCPL fee	75	127
<b>Pakistan Stock Exchange Limited*</b>		
Listing fee paid	-	25
<b>The Crescent Textile Mills Employees Provident Fund Trust</b>		
Purchase of Market Treasury Bills	-	4,847
<b>NBP Income Opportunity Fund</b>		
Purchase of Market Treasury Bills	-	149,740
<b>NBP Money Market Fund</b>		
Purchase of Market Treasury Bills	-	807,815
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2021</b>	<b>2021</b>
	<b>----- (Rupees in '000) -----</b>	
<b>15.7 Amounts outstanding as at period / year end are as follows:</b>		
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration payable to the Management Company	623	797
Sindh Sales Tax on remuneration of the Management Company	80	103
Provision for Federal Excise Duty on remuneration of the Management Company	10,620	10,620
Provision for Federal Excise Duty on sales load	292	292
Reimbursement of allocated expenses payable	1,589	1,990
Reimbursement of selling and marketing expenses payable	13,007	11,146
Sales and transfer load payable	1,910	5,488
Sindh sales tax on sales load	248	713
ADC charges payable including Sindh sales tax	1,430	456
Others	288	288





	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration payable to the Trustee	310	397
Sindh Sales Tax payable on Trustee remuneration	40	52
Security deposit	100	100
Settlement charges payable	49	151
<b>National Bank of Pakistan - (parent of the Management Company)</b>		
Current account	1,751	1,751
Savings accounts	3,260	13,269
Profit receivable on bank balances	1,976	66
<b>National Clearing Company of Pakistan Limited (common directorship)</b>		
Security deposit	250	250
Settlement charges payable	76	-
<b>Employees of the Management Company</b>		
Units held: 1,325,151 units (June 30, 2021: 1,850,493 units)	14,022	18,853
<b>BankIslami Pakistan Limited (common directorship)</b>		
Bank balances	17,120	16,458
Profit receivable on bank balances	33	21
<b>Telenor Microfinance Bank Limited - (common directorship)</b>		
Bank balance	1	-
<b>Khushhali Microfinance Bank Limited (common directorship)</b>		
Bank balance	515,335	493,624
Profit receivable on bank balance	4,664	3,471
<b>Dr Amjad Waheed - Chief Executive Officer of the Management Company</b>		
Units held: 78 units (2021: 78 units)	1	1
<b>Muhammad Murtaza Ali - Company Secretary / Chief Operation Officer of the Management Company</b>		
Units held: 71,392 units (2021: 105,045 units)	755	1,070
<b>Ali Saigol - Director of the Management Company</b>		
Units held: 1,077 units (2021: 1,077 units)	11	11

\* Current period figures have not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2021.

\*\* Nil figures due to rounding off

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.





Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

## 16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value.

	----- Un-audited -----			
	----- As at December 31, 2021 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
At fair value through profit or loss				
Commercial papers*	-	951,742	-	951,742
	-	951,742	-	951,742
	----- Audited -----			
	----- As at June 30, 2021 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
At fair value through profit or loss				
Government securities - Market Treasury Bills	-	19,945	-	19,945
	-	19,945	-	19,945

The valuation of commercial papers has been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 by the SECP as the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating.

## 17 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 23, 2022.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Head Office

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