NBP FUNDS
Managing Your Savings

NBP MONEY MARKET 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	Allied Bank Limited
JS Bank Limited	BankIslami Pakistan Limited
Meezan Bank Limited	National Bank of Pakistan
Habib Bank Limited	Samba Bank Limited
United Bank Limited	Zarai Taraqiati Bank Limited
Bank Alfalah Limited	Faysal Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Limited
Askari Bank Limited	
Habib Metropolitan Bank Limited	

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

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

Fund's Performance

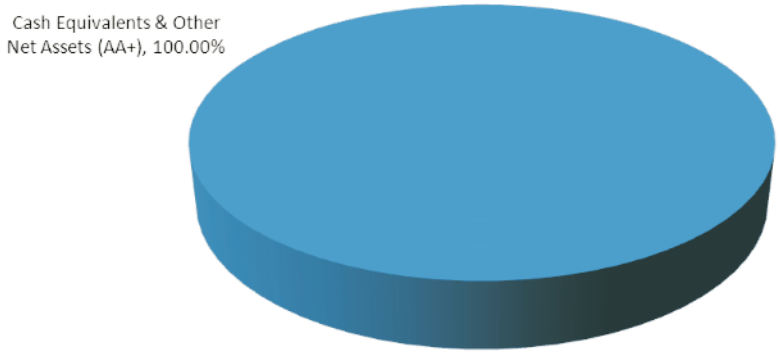
During 1HFY22, the Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%; in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic 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 the period, 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.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a Money Market scheme, the Fund has strict investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is 'AA', while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

The size of NBP Money Market Fund has increased from Rs. 21,623 million to Rs. 31,310 million during the period, a notable growth of 45%. During the period, the unit price of the Fund has increased from Rs. 9.4568 (Ex-Div) on June 30, 2021 to Rs. 9.9114 on December 31, 2021, thus showing a return of 9.5% p.a. as compared to the benchmark return of 7.4% 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. 1,238.75 million during the period. After deducting total expenses of Rs. 53.66 million, the net income is Rs. 1,185.09 million. The asset allocation of NMMF as on December 31, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.58% of the opening ex-NAV (4.54% of the par value) during the period ended December 31, 2021.

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive **Director**

Date: **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 منی مارکیٹ فنڈ (NMMF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

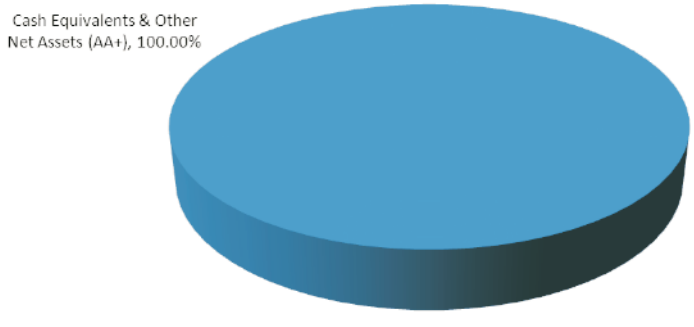
1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراطِ زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراطِ زر عالمی قیمتیں اور مقامی طلب نمو زیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ یوٹیلٹی چارجز، موٹر فیول، ہاؤس رینٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران افراطِ 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۔

اسٹیٹ بینک آف 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 میچورٹی 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۔

NMMF کو PACRA کی طرف سے AA(f) کی مستحکم 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 نشان دہی کرتی ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نپی تلی اوسط مدت 90 دن سے زائد نہیں ہوسکتی۔

موجودہ مدت کے دوران NBP منی مارکیٹ فنڈ کا سائز 21,623 ملین روپے سے بڑھ کر 31,310 ملین روپے ہوگیا ہے یعنی 45% کا خاطر خواہ اضافہ ہوا۔ زیرِ جائزہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.4568 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2021ء کو 9.9114 روپے ہوگئی، لہٰذا فنڈ نے اسی مدت میں 7.4% بنچ مارک منافع کے مقابلے میں 9.5% منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویژننگ ریورس کر دی گئی۔ اس پروویژن 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 مدت کے دوران 1,238.75 ملین روپے کل آمدنی ہوئی۔ 53.66 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 1,185.09 ملین روپے ہے۔
درج ذیل چارٹ 31 دسمبر 2021 کو NMMF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 4.58% (بنیادی قدر کا 4.54%) عبوری نقد ڈیویڈینڈ منظور کیا ہے۔

اظہارتشکر

یورڈاس موقع سے فائدہ اُٹھاتے 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

چیف ایگزیکٹو **ڈائریکٹر**

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 Money Market 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 Money Market 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.

Other Matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2020 and the financial statements for the year ended June 30, 2021 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2021 and September 30, 2021 respectively.

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 ---------	
ASSETS			
Bank balances	4	**31,117,524**	21,923,169
Investments	5	**-**	-
Profit receivable		**189,311**	42,732
Deposit and prepayment		**113**	361
Receivable against transfer of units		**120,559**	-
Total assets		**31,427,507**	21,966,262
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	6	**59,135**	61,594
Payable to Central Depository Company of Pakistan Limited - the Trustee		**1,452**	1,150
Payable to the Securities and Exchange Commission of Pakistan	7	**2,506**	5,308
Payable against redemption of units		**11,335**	78,515
Accrued expenses and other liabilities	8	**43,189**	196,595
Total liabilities		**117,617**	343,162
NET ASSETS		**31,309,890**	21,623,100
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**31,309,890**	21,623,100
CONTINGENCIES AND COMMITMENTS	9		
		---------- Number of units ----------	
NUMBER OF UNITS IN ISSUE		**3,158,992,530**	2,184,470,844
		---------- Rupees ----------	
NET ASSET VALUE PER UNIT	10	**9.9114**	9.8986

The annexed notes from 1 to 17 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

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees in '000			
INCOME					
Income on letters of placement		**67,322**	52,640	**67,322**	-
Profit on bank balances		**851,791**	383,776	**413,986**	238,296
Income on government securities		**132,346**	616,004	**97,597**	273,343
Income on certificate of investments		**-**	60,157	**-**	17,010
Income on term deposit receipts		**14,301**	-	**13,808**	-
(Loss) / gain on sale of investments		**(3,448)**	(20,341)	**(3,626)**	96
Total income		**1,062,312**	1,092,236	**589,087**	528,745
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	6.1	**19,410**	23,242	**9,720**	10,656
Sindh sales tax on remuneration of the Management Company	6.2	**2,523**	3,022	**1,263**	1,386
Reimbursement of allocated expenses	6.3	**15,663**	16,761	**8,100**	8,371
Reimbursement of selling and marketing expenses	6.4	**3,815**	64,846	**1,934**	24,433
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		**7,497**	10,071	**3,564**	4,617
Sindh sales tax on remuneration of the Trustee		**975**	1,309	**464**	600
Annual fee to the Securities and Exchange Commission of Pakistan	7.1	**2,506**	3,099	**1,296**	1,421
Auditors' remuneration		**479**	472	**237**	236
Legal and professional charges		**243**	62	**212**	31
Annual rating fee		**261**	237	**195**	177
Printing charges		**48**	41	**24**	21
Annual listing fee		**13**	14	**6**	7
Settlement and bank charges		**227**	438	**102**	168
Total expenses		**53,660**	123,614	**27,117**	52,124
Net income from operating activities		**1,008,652**	968,622	**561,970**	476,621
Reversal of provision / (provision against) Sindh Workers' Welfare Fund - net	8.1	**176,440**	(19,372)	**-**	(9,532)
Net income for the period before taxation		**1,185,092**	949,250	**561,970**	467,089
Taxation	11	**-**	-	**-**	-
Net income for the period after taxation		**1,185,092**	949,250	**561,970**	467,089
Earnings per unit	12				
Allocation of net income for the period:					
Net income for the period after taxation		**1,185,092**	949,250	**561,970**	467,089
Income already paid on units redeemed		**(349,226)**	(114,952)	**(506,885)**	(48,380)
		835,866	834,298	**55,085**	418,709
Accounting income available for distribution:					
- Relating to capital gains		**-**	-	**-**	96
- Excluding capital gains		**835,866**	834,298	**55,085**	418,613
		835,866	834,298	**55,085**	418,709

The annexed notes from 1 to 17 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		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees in '000			
Net income for the period after taxation	**1,185,092**	949,250	**561,970**	467,089
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**1,185,092**	949,250	**561,970**	467,089

The annexed notes from 1 to 17 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)	**21,419,815**	**203,285**	**21,623,100**	28,065,892	170,270	28,236,162
Issuance of 6,298,083,723 units (2020: 4,229,536,547 units)						
- Capital value (at ex-net asset value per unit)	**62,342,212**	**-**	**62,342,212**	41,798,401	-	41,798,401
- Element of income	**362,318**	**-**	**362,318**	113,888	-	113,888
Total proceeds on issuance of units	**62,704,530**	**-**	**62,704,530**	41,912,289	-	41,912,289
Redemption of 5,323,562,037 units (2020: 4,024,760,265 units)						
- Capital value (at ex-net asset value per unit)	**(52,695,811)**	**-**	**(52,695,811)**	(39,774,694)	-	(39,774,694)
- Element of loss	**(19,476)**	**(349,226)**	**(368,702)**	(5,618)	(114,952)	(120,570)
Total payments on redemption of units	**(52,715,287)**	**(349,226)**	**(53,064,513)**	(39,780,312)	(114,952)	(39,895,264)
Total comprehensive income for the period	**-**	**1,185,092**	**1,185,092**	-	949,250	949,250
Cash distribution during the period ended December 31, 2020						
- @ Re. 0.0390 per unit (Declaration of date: July 28, 2020)	**-**	**-**	**-**	(21,334)	(114,110)	(135,444)
- @ Re. 0.0467 per unit (Declaration of date: August 28, 2020)	**-**	**-**	**-**	(11,246)	(123,698)	(134,944)
- @ Re. 0.0534 per unit (Declaration of date: September 28, 2020)	**-**	**-**	**-**	(20,360)	(159,417)	(179,777)
- @ Re. 0.0532 per unit (Declaration of date : October 27, 2020)	**-**	**-**	**-**	(15,419)	(135,246)	(150,665)
- @ Re. 0.0511 per unit (Declaration of date : November 26, 2020)	**-**	**-**	**-**	(12,813)	(132,894)	(145,707)
- @ Re. 0.0482 per unit (Declaration of date : December 23, 2020)	**-**	**-**	**-**	(24,846)	(118,479)	(143,325)
	-	**-**	**-**	(106,018)	(783,844)	(889,862)
Cash distribution during the period ended December 31, 2021						
- @ Re. 0.0526 per unit (Date of declaration: July 28, 2021)	**(10,221)**	**(94,342)**	**(104,563)**	-	-	-
- @ Re. 0.1243 per unit (Date of declaration: August 26, 2021)	**(108,558)**	**(199,514)**	**(308,072)**	-	-	-
- @ Re. 0.0682 per unit (Date of declaration: September 28, 2021)	**(15,706)**	**(154,786)**	**(170,492)**	-	-	-
- @ Re. 0.0585 per unit (Date of declaration: October 26, 2021)	**(45,741)**	**(98,424)**	**(144,165)**	-	-	-
- @ Re. 0.0636 per unit (Date of declaration: November 26, 2021)	**(51,970)**	**(103,281)**	**(155,251)**	-	-	-
- @ Re. 0.0867 per unit (Date of declaration: December 28, 2021)	**(108,445)**	**(147,331)**	**(255,776)**	-	-	-
	(340,641)	**(797,678)**	**(1,138,319)**	-	-	-
Net assets at the end of the period (un-audited)	**31,068,417**	**241,473**	**31,309,890**	30,091,852	220,724	30,312,575
Undistributed income brought forward						
- Realised income		**203,285**			158,881	
- Unrealised income		**-**			11,389	
		203,285			170,270	
Accounting income available for distribution						
- Relating to capital gains		**-**			-	
- Excluding capital gains		**835,866**			834,298	
		835,866			834,298	
Interim distribution during the period		**(797,678)**			(783,844)	
Undistributed income carried forward		**241,473**			220,724	
Undistributed income carried forward						
- Realised income		**241,473**			220,724	
- Unrealised income		**-**			-	
		241,473			220,724	
			Rupees			**Rupees**
Net asset value per unit at the beginning of the period			**9.8986**			9.8825
Net asset value per unit at the end of the period			**9.9114**			9.8997

The annexed notes from 1 to 17 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

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**1,185,092**	949,250
Adjustments:			
Income on letters of placement		**(67,322)**	(52,640)
Profit on bank balances		**(851,791)**	(383,776)
Income on government securities		**(132,346)**	(616,004)
Income on certificate of investments		**-**	(60,157)
Income on term deposit receipts		**(14,301)**	-
(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	8.1	**(176,440)**	19,372
		(1,242,200)	(1,093,205)
		(57,108)	(143,955)
Decrease in assets			
Investments		**-**	6,043,726
Deposits and prepayments		**248**	223
		248	6,043,949
(Increase) / decrease in liabilities			
Payable to NBP Fund Management Limited - the Management Company		**(2,459)**	(27,981)
Payable to Central Depository Company of Pakistan Limited - the Trustee		**302**	7
Payable to the Securities and Exchange Commission of Pakistan		**(2,802)**	(2,631)
Accrued expenses and other liabilities		**23,034**	(6,733)
		18,075	(37,338)
Profit received on bank balances, term deposit receipts, certificate of investments, government securities and letters of placement		**919,181**	1,096,819
Net cash generated from operating activities		**880,396**	6,959,475
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of capital		**62,243,330**	41,919,488
Net payments against redemption of units		**(53,131,693)**	(39,978,185)
Distributions paid		**(797,678)**	(783,844)
Net cash generated from financing activities		**8,313,959**	1,157,459
Net increase in cash and cash equivalents during the period		**9,194,355**	8,116,934
Cash and cash equivalents at the beginning of the period		**21,923,169**	22,428,934
Cash and cash equivalents at the end of the period	4	**31,117,524**	30,545,868

The annexed notes from 1 to 17 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

1.1 NBP Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011.

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 (NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.

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

The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

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. Furthermore, PACRA has maintained the stability rating of the Fund to AA(f) (2021: AA(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 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 Regulation, 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.

2.1.1 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.

2.1.2 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, 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	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		--------- Rupees in '000 ---------	
Balances with banks in:			
Current accounts	4.1	**192**	8,301
Savings accounts	4.2	**31,117,332**	21,914,868
		31,117,524	21,923,169

4.1 These include bank balances of Rs. 0.166 million (June 30, 2021: Rs. 0.166 million), maintained with National Bank of Pakistan (a related party).

4.2 These include balances of Rs 1.558 million (June 30, 2021: Rs 1.074 million) maintained with BankIslami Pakistan Limited (a related party) and Rs 12.882 million (June 30, 2021: Rs 2.434 million) maintained with the National Bank of Pakistan (a related party) that carry profit at the rate of 10.2% (June 30, 2021: 3.75%) per annum and 12.25% (June 30, 2021: 5.5%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 5.5% to 12.5% (June 30, 2021: 4.50% to 8%) per annum.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
5	**INVESTMENTS**		--------- Rupees in '000 ---------	
	At fair value through profit or loss			
	Government securities - Market Treasury Bills	5.1	-	-
	Letters of placement	5.2	-	-
	Term deposit receipts	5.3	-	-
			-	-

5.1 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation	Market value as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021				total investments of the Fund	net assets of the Fund
		---------- Rupees in '000 ----------							---------- (%) ----------	
May 6, 2021	6	-	3,300,000	3,300,000	-	-	-	-	-	-
May 20, 2021	6	-	2,186,020	2,186,020	-	-	-	-	-	-
June 3, 2021	6	-	7,458,000	7,458,000	-	-	-	-	-	-
June 17, 2021	6	-	8,500,000	8,500,000	-	-	-	-	-	-
July 2, 2021	3	-	6,940,000	6,940,000	-	-	-	-	-	-
July 15, 2021	3	-	500,000	500,000	-	-	-	-	-	-
July 29, 2021	3	-	500,000	500,000	-	-	-	-	-	-
August 12, 2021	3	-	500,000	500,000	-	-	-	-	-	-
August 12, 2021	6	-	500,000	500,000	-	-	-	-	-	-
August 26, 2021	6	-	500,000	500,000	-	-	-	-	-	-
September 23, 2021	3	-	1,180,000	1,180,000	-	-	-	-	-	-
October 7, 2021	3	-	1,000,000	1,000,000	-	-	-	-	-	-
October 21, 2021	3	-	1,000,000	1,000,000	-	-	-	-	-	-
November 4, 2021	3	-	1,636,000	1,636,000	-	-	-	-	-	-
Total as at December 31, 2021 (un-audited)							-	-	-	-
Total as at June 30, 2021 (audited)							-	-	-	-

5.2 Letters of placement

Name of the investee company	Rating	Maturity date	Profit rate	Amount placed		As at December 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation	Market value as a percentage of	
				Purchased during the period	Matured during the period					total investments of the Fund	net assets of the Fund
				(Rupees in '000)						(%)	
DEVELOPMENT FINANCE INSTITUTIONS											
PAIR Investment Company Limited	AA, PACRA	November 1, 2021	7.50%	500,000	500,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	November 1, 2021	7.40%	1,000,000	1,000,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	November 5, 2021	7.50%	1,000,000	1,000,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	November 12, 2021	7.38%	1,500,000	1,500,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	November 12, 2021	7.45%	400,000	400,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	November 12, 2021	7.55%	1,000,000	1,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	November 19, 2021	7.43%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	November 23, 2021	7.50%	500,000	500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	November 23, 2021	7.50%	1,500,000	1,500,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	November 26, 2021	9.00%	1,900,000	1,900,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	November 29, 2021	9.15%	1,500,000	1,500,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	December 2, 2021	7.60%	500,000	500,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	December 3, 2021	7.60%	500,000	500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	AA+, VIS	December 3, 2021	9.15%	2,500,000	2,500,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	December 6, 2021	7.60%	500,000	500,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 6, 2021	9.05%	1,900,000	1,900,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	December 10, 2021	9.10%	2,000,000	2,000,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	December 10, 2021	9.10%	1,000,000	1,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 10, 2021	9.10%	1,500,000	1,500,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	December 10, 2021	9.15%	1,000,000	1,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 13, 2021	9.05%	500,000	500,000	-	-	-	-	-	-
PAIR Investment Company Limited	AA, PACRA	December 13, 2021	9.20%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 13, 2021	9.05%	1,500,000	1,500,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 14, 2021	9.37%	2,500,000	2,500,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	December 14, 2021	9.35%	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AAA, PACRA	December 15, 2021	9.60%	2,500,642	2,500,642	-	-	-	-	-	-
Pak Oman Investment Company Limited	AA+, VIS	December 15, 2021	9.55%	2,000,000	2,000,000	-	-	-	-	-	-
Total as at December 31, 2021 (un-audited)							-	-	-	-	-
Total as at June 30, 2021 (audited)							-	-	-	-	-

5.3 Term deposit receipts

Name of the investee company	Rating	Maturity date	Profit rate	As at July 1, 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	Unrealised appreciation	Market value as a percentage of	
											total investments of the Fund	net assets of the Fund
				(Rupees in '000)							%	
COMMERCIAL BANKS												
Bank Alafalah Limited	AA+, PACRA	October 29, 2021	9%	-	2,000,000	2,000,000	-	-	-	-	-	-
Total as at December 31, 2021 (un-audited)								-	-	-	-	-
Total as at June 30, 2021 (audited)								-	-	-	-	-

6	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			--------- Rupees in '000 ---------	
	Remuneration payable to the Management Company	6.1	**3,504**	2,349
	Sindh sales tax payable on remuneration of the Management Company	6.2	**455**	305
	Reimbursement of allocated expenses payable	6.3	**8,100**	6,040
	Reimbursement of selling and marketing expenses payable	6.4	**1,934**	7,247
	Sales load and transfer load payable		**566**	1,046
	Sindh sales tax payable on sales load		**74**	136
	Federal Excise Duty on remuneration of the Management Company and sales load	6.5	**44,418**	44,418
	ADC charges payable including Sindh sales tax		**84**	53
			59,135	61,594

6.1 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% (June 30, 2021: 1%) on net income, subject to floor and capping of 0.15% and 1% (June 30, 2021: 0.15% and 1%) per annum of the average net assets of the Fund during the period ended December 31, 2021. The remuneration is payable to the Management Company monthly in arrears.

6.2 During the period, an amount of Rs. 2.523 million (December 31, 2020: Rs. 3.022 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%).

6.3 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

6.4 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 July 7, 2021	From July 8, 2021 to July 25, 2021	From July 26, 2021 to December 31, 2021	From July 1, 2020 to September 13, 2020	From September 14, 2020 to October 26, 2020	From October 27, 2020 to November 23, 2020	From November 24, 2020 to March 29, 2021	From March 30, 2021 to June 30, 2021
0.15% of average annual net assets	0% of average annual net assets	0.03% of average annual net assets	0.5% of average annual net assets	0.4% of average annual net assets	0.35% of average annual net assets	0.3% of average annual net assets	0.15% of average annual net assets

6.5 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, SHC 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 Supreme Court of Pakistan (SCP) 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 44.418 million (June 30, 2021: Rs 44.418 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the SHC. 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 0.0141 (June 30, 2021: Re 0.0203) per unit.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
7	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**		--------- Rupees in '000 ---------	
	Annual fee payable	7.1	**2,506**	5,308

7.1 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
8	**ACCRUED EXPENSES AND OTHER LIABILITIES**		--------- Rupees in '000 ---------	
	Auditors' remuneration		**756**	782
	Provision for Sindh Workers' Welfare Fund	8.1	**-**	176,440
	Withholding tax		**16,956**	11,126
	Capital gain tax		**18,191**	808
	Legal and professional charges		**59**	81
	Bank charges		**14**	91
	Printing charges		**24**	78
	Others		**7,189**	7,189
			43,189	196,595

8.1 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. 176.44 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.

9 CONTINGENCIES AND COMMITMENTS

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

10 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.

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

12 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.

13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 0.43% (December 31, 2020: 0.92%) which includes 0.05% (December 31, 2020: 0.17%) representing government levy including sales tax and the SECP fee. The prescribed limit for the ratio is 2% (December 31, 2020: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an money market scheme.

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

14.1 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 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.

14.2 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.

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

14.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

14.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

14.6 The details of transactions with related parties / connected persons during the period are as follows:

14.7 Details of transactions with connected persons and related parties are as follows:

	(Un-audited) Half year ended	
	December 31, 2021	December 31, 2020
	Rupees in '000	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	**19,410**	23,242
Sindh sales tax on remuneration of the Management Company	**2,523**	3,022
Reimbursement of allocated expenses	**15,663**	16,761
Reimbursement of selling and marketing expenses	**3,815**	64,846
Sales load and transfer load	**729**	412
ADC charges including Sindh Sales Tax	**34**	-
Dividend re-invest units issued: 290,708 units (2020: Nil)	**2,878**	-
Units issued: 80,186,628 units (2020: Nil)	**794,163**	-
Units redeemed: 87,559,620 units (2020: Nil)	**870,649**	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	**7,497**	10,071
Sindh sales tax on remuneration of the Trustee	**975**	1,309
Dividend re-invest units issued: 340,848 units (2020: Nil)	**3,375**	-
Units issued: 25,255,878 units (2020: Nil)	**250,000**	-
Employees of the Management Company		
Dividend re-invest units issued: 55,414 units (2020: 17,546 units)	**549**	173
Units issued: 15,764,503 units (2020: 5,892,679 units)	**156,254**	58,269
Units redeemed: 13,871,510 units (2020: 7,015,538 units)	**138,016**	69,473
National Clearing Company of Pakistan Limited - common directorship* **		
Dividend re-invest units issued: Nil (2020: 13,374)	**-**	132
Units issued: Nil (2020: 14,153,630 units)	**-**	139,873
Units redeemed: Nil (2020: 14,103,896 units)	**-**	140,050

	(Un-audited) Half year ended	
	December 31, 2021	December 31, 2020
	Rupees in '000	
NBP Financial Sector Income Fund		
Purchase of Treasury Bills	-	179,758
Sale of Treasury Bills	**984,162**	799,035
National Bank of Pakistan - Parent of the Mangement Company		
Purchase of Treasury Bills	**8,977,259**	443,170
Profit on bank balances	**75,860**	181
NBP Mahana Amdani Fund		
Sale of Treasury Bills	-	807,815
NBP Savings Fund		
Purchase of Treasury Bills	-	68,921
Dr. Amjad Waheed - Chief Executive Officer of the Management Company		
Dividend re-invest units issued: 17,874 units (2020: 16,609 units)	**177**	164
Units issued: 2,223,330 units (2020: 4,705,020 units)	**22,008**	46,500
Units redeemed: 2,008,821 units (2020: 4,992,665 units)	**20,020**	49,481
Humayun Bashir - Director of the Management Company		
Dividend re-invest units issued: 13,346 units (2020:19,343 units)	**132**	191
Units issued: 2,631,701 units (2020: 1,977,157 units)	**26,050**	19,539
Units redeemed: 2,645,047 units (2020: 1,996,500 units)	**26,206**	19,790
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units redeemed: 1 unit (2020: Nil)*	-	-
Imran Zafar - Director of the Management Company**		
Dividend re-invest units issued: 18,404 units (2020: Nil)	**182**	-
Units issued: 4 units (2020: Nil)*	-	-
Units redeemed: 271,117 units (2020: Nil)	**2,701**	-
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Dividend re-invest units issued: Nil (2020: 612 units)	-	6
Units issued: 12,236,839 units (2020: 12,189,937 units)	**121,141**	120,484
Units redeemed: 11,962,545 units (2020: 10,277,900 units)	**119,304**	102,079
Syed Hasan Irtiza Kazmi - Director of the Management Company		
Dividend re-invest units issued: Nil (2020: 5,154 units)	-	51
Pakistan Stock Exchange Limited - common directorship***		
Listing fees	-	14
Fauji Fertilizer Company Limited - common directorship		
Dividend re-invest units issued: 3,297,625 units (2020: 11,665,652 units)	**32,649**	115,306
Units issued: 2,986,183,616 units (2020: 1,586,141,860 units)	**29,562,405**	15,675,032
Units redeemed: 2,390,217,407 units (2020: 840,292,943)	**23,856,446**	8,325,259

	---------- (Un-audited) ---------- Half year ended	
	December 31, 2021	December 31, 2020
	---------- Rupees in '000 ----------	
Mutual Funds Association of Pakistan - common directorship		
Dividend re-invest units issued: Nil (2020: 1,525 units)	-	15
Reliance Enterprises - a related party		
Dividend re-invest units issued: 119 units (2020: 72 units)	1	1
Baltoro Partners (Pvt.) Limited - common directorship		
Dividend re-invest units issued: 4,324 units (2020: 23,247 units)	43	230
Units issued: 1 unit (2020: 302,474 units)*	-	3,000
Units redeemed: 251,446 units (2020: Nil)	2,500	-
Portfolios managed by the Management Company		
Dividend re-invest units issued: 1,503,238 units (2020: 526,184 units)	14,884	5,202
Units issued: 241,925,507 units (2020: 207,643,485 units)	2,397,985	2,054,685
Units redeemed: 165,329,336 units (2020: 155,096,746 units)	1,651,872	1,538,644
Sale of Treasury Bills	993,963	-

* Nil due to rounding off.

** Prior period comparative has not been shown as the person was not a related party / connected person as at December 31, 2020.

*** Current period 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
14.8	**Amounts outstanding as at period / year end are as follows:**	--------- Rupees in '000 ---------	
	NBP Fund Management Limited - the Management Company		
	Remuneration payable to the Management Company	3,504	2,349
	Sindh sales tax payable on remuneration of the	455	305
	Reimbursement of allocated expenses payable	8,100	6,040
	Reimbursement of selling and marketing expenses payable	1,934	7,247
	Sales load and transfer load payable	566	1,046
	Sindh sales tax payable on sales load	74	136
	Federal Excise Duty on remuneration of the Management Company and sales load	44,418	44,418
	ADC charges payable including Sindh sales tax	84	53
	Units held: 13,927,834 units (June 30,2021: 21,010,118 units)	138,044	207,971
	Central Depository Company of Pakistan Limited - the Trustee		
	Trustee remuneration payable	1,285	1,018
	Sindh sales tax payable on remuneration of the Trustee	167	132
	Security deposit	100	100
	Units held: 25,596,726 units (June 30,2021: Nil)	253,699	-
	National Bank of Pakistan - Parent of the Mangement Company		
	Bank balances	12,881,931	2,600
	Profit receivable on bank balances	75,857	255

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	--------- Rupees in '000 ---------	
Pakistan Stock Exchange Limited - common directorship**		
Listing fees	**-**	28
BankIslami Pakistan Limited (Common directorship)		
Bank balances	**1,558**	1,074
Profit receivable on bank balances	**1**	-
Dr. Amjad Waheed (Chief Executive Officer of the Management Company)		
Units held: 1,250,535 units (June 30, 2021: 1,018,152 units)	**12,395**	10,078
Muhammad Murtaza Ali - Company Secretary and Chief Operating Officer of the Management Company		
Units held: Nil (2020: 1 unit)*	**-**	-
Imran Zafar - Director of Management Company		
Units held: 253,673 units (June 30, 2021: 506,382 unit)	**2,514**	5,012
Syed Hasan Irtiza Kazmi - Director of Management Company**		
Units held: Nil (June 30, 2021: 214,624 units)	**-**	2,124
Employees of the Management Company		
Units held: 5,660,966 units (June 30, 2021: 4,120,282 units)	**56,108**	40,785
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units held: 2,191,329 units (June 30, 2021: 1,917,035 units)	**21,719**	18,796
Reliance Enterprises - a related party		
Units held: 3,128 units (June 30, 2021: 3,009 units)	**31**	30
Fauji Fertilizer Company Limited - common directorship / unit holders with more than 10% holding		
Units held: 599,263,834 units (June 30, 2021: Nil units)	**5,939,544**	-
Portfolios managed by the Management Company		
Units held: 94,165,821 units (June 30, 2021: 16,066,412 units)	**933,315**	161,581
Baltoro Partners (Pvt.) Limited - common directorship		
Units held: 3,852 units (June 30, 2021: 250,973 units)	**38**	2,484

* Nil due to rounding off.

** Current period 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.

14.9 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.

15 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.

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 no financial instruments measured at fair value.

16 GENERAL

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

16.2 Corresponding figures have been re-classified and re-arranged in these condensed 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.

17 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.
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Toll Free: 0800-20002
Sms: INVEST to 9995
Fax: 021-35825335
Email: info@nbpfunds.com
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد

NBP ISLAMIC SAVINGS 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

Al Baraka Islamic Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Zarai Taraqiati Bank Limited
Soneri 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

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Fax: 92-42-35861095

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Fax: 051-4859031

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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 Islamic Savings Fund** (NBP-ISF) for the half year ended December 31, 2021.

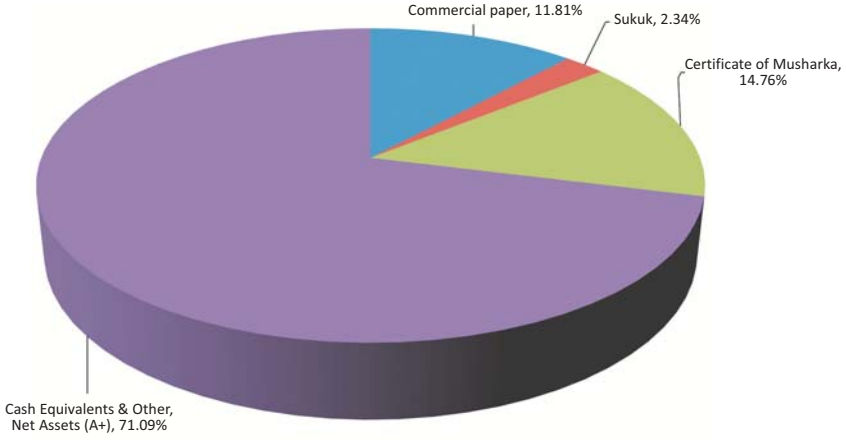
Fund's Performance

In terms of issuance of fresh corporate sukuks, 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.

NBP-ISF is categorized as Islamic Income Scheme and has been awarded stability rating of 'AA- (f)' by PACRA.

The size of NBP Islamic Savings Fund has decreased from Rs. 2,155 million to Rs. 2,135 million during the period, a decline of 1%. The unit price of the Fund has increased from Rs. 9.5401 on June 30, 2021 to Rs. 9.9405 on December 31, 2021, thus showing return of 8.3% 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. 107.47 million during the period. After deducting total expenses of Rs. 18.48 million, the net income is Rs. 88.99 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NBP-ISF:



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 سیونگز فنڈ (NBP-ISF) کے جائزہ شدہ ہمالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

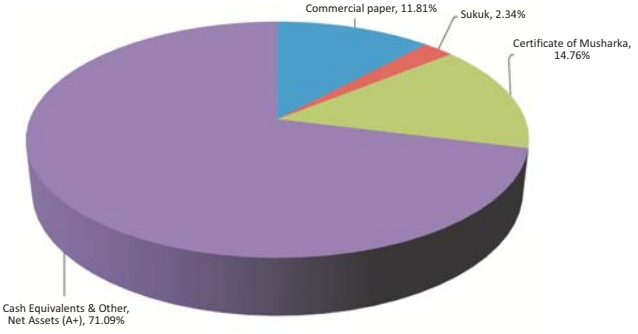
نئے کارپوریٹ سکوک کے اجراء کے لحاظ سے، مارکیٹ نے بنیادی مارکیٹ میں بڑھتی ہوئی زیادہ طلب کے مقابلے کم سرگرمی کا مشاہدہ کیا ہے۔ ثانوی مارکیٹ میں، گزشتہ سال کی اسی مدت میں 10.9 بلین روپے کے مقابلے 2.2 بلین روپے کی قیمت کی تجارت کی گئی۔ 1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراطِ زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراطِ زر عالمی قیمتیں اور مقامی طلب نمو 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 افراطِ 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۔

NBP-ISF کی اسلامک انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور اسے PACRA کی طرف سے AA-(f) کی مستحکم ریٹنگ دی گئی ہے۔

موجودہ مدت کے اختتام پر NBP اسلامک سیونگز فنڈ کا سائز 2,155 ملین روپے سے کم ہو کر 2,135 ملین روپے ہو گیا یعنی 1% کی کمی ہوئی۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 9.5401 روپے سے بڑھکر 31 دسمبر 2021ء کو 9.9405 روپے ہو گئی، لہٰذا گزشتہ اسی مدت کی 3.1% بنچ مارک منافع کے مقابلے 8.3% کا منافع درج کیا گیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویژننگ ریورس کر دی گئی۔ اس پروویژن 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 107.47 ملین روپے کی کل آمدنی ہوئی۔ 18.48 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 88.99 ملین روپے ہے۔

مندرجہ ذیل چارٹ NBP-ISF کی ایسٹ ایلوکیشن اور اس کی ہر ذیلی ایسٹ کلاس کی اوسط کریڈٹ ریٹنگ ظاہر کرتا ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے 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 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 مینجمنٹ لمیٹڈ

چیف ایگزیکٹو **ڈائریکٹر**

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 Savings 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 Savings 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

1) 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 half year ended December 31, 2021; and

2) The condensed interim financial statements for the half year ended December 31, 2020 and the annual financial statements for the year ended June 30, 2021 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 27, 2021 and audit report dated September 30, 2021 expressed an unmodified conclusion and an unmodified opinion, on the aforementioned financial statements.

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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		--------- Rupees in '000 ---------	
ASSETS			
Bank balances	4	**1,508,204**	1,095,575
Investments	5	**617,193**	1,093,060
Accrued profit	6	**24,120**	20,636
Deposits, prepayments and other receivables	7	**1,354**	1,567
Total assets		**2,150,871**	2,210,838
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	**7,647**	7,235
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	**155**	163
Payable to the Securities and Exchange Commission of Pakistan	10	**219**	592
Payable against redemption of units		**997**	305
Accrued expenses and other liabilities	11	**7,114**	47,604
Total liabilities		**16,132**	55,899
NET ASSETS		**2,134,739**	2,154,939
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**2,134,739**	2,154,939
Contingencies and commitments	12		
		------- Number of units -------	
Number of units in issue		**214,751,251**	225,882,827
		---------- Rupees ----------	
Net asset value per unit		**9.9405**	9.5401

The annexed notes 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

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
		Rupees in '000			
INCOME					
Profit / income on:					
- bank balances		**49,749**	54,164	**29,836**	21,384
- term deposit		**9,562**	34,615	**3,974**	16,869
- sukuks		**3,065**	2,101	**1,411**	2,101
- bai muajjal		**-**	11,228	**-**	5,005
- commercial paper		**10,689**	22,034	**4,026**	9,063
- certificate of musharka		**12,404**	-	**6,395**	-
Total income		**85,469**	124,142	**45,642**	54,422
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	8.1	**5,963**	8,713	**3,166**	3,846
Sindh Sales Tax on remuneration of the Management Company	8.2	**775**	1,133	**411**	500
Reimbursement of operational expenses to the Management Company	8.3	**1,367**	1,858	**689**	912
Reimbursement of selling and marketing expenses	8.4	**7,953**	12,002	**4,158**	5,379
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	**820**	1,292	**413**	582
Sindh Sales Tax on remuneration of the Trustee	9.2	**107**	168	**54**	76
Annual fee to the Securities and Exchange Commission of Pakistan	10	**219**	344	**111**	155
Settlement and bank charges		**203**	83	**101**	55
Auditors' remuneration		**351**	375	**176**	283
Fund rating fee		**227**	207	**113**	103
Annual listing fee		**14**	14	**7**	7
Printing charges		**40**	51	**20**	51
Shariah advisory fee		**133**	219	**23**	95
Legal and professional charges		**308**	336	**234**	323
Total expenses		**18,480**	26,795	**9,676**	12,367
Net income from operating activities		**66,989**	97,347	**35,966**	42,055
Reversal / (Provision) for Sindh Workers Welfare Fund	11.1	**22,002**	(1,947)	**-**	(841)
Net income for the period before taxation		**88,991**	95,400	**35,966**	41,214
Taxation	13	**-**	-	**-**	-
Net profit for the period after taxation		**88,991**	95,400	**35,966**	41,214
Earnings per unit	15				
Allocation of net income for the period					
Net income for the period after taxation		**88,991**	95,400	**35,966**	41,214
Income already paid on redemption of units		**(11,917)**	(22,286)	**(8,047)**	(15,160)
		77,074	73,114	**27,919**	26,054
Accounting income available for distribution:					
- Relating to capital gains		**-**	-	**-**	-
- Excluding capital gains		**77,074**	73,114	**27,919**	26,054
		77,074	73,114	**27,919**	26,054

The annexed notes 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		Quarter ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
	---------- Rupees in '000 ----------			
Net income for the period after taxation	**88,991**	95,400	**35,966**	41,214
Other comprehensive income	**-**	-	-	-
Total comprehensive income for the period	**88,991**	95,400	**35,966**	41,214

The annexed notes 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

	Half year ended					
	2021			2020		
	Rupees in '000					
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
Net assets at beginning of the period	**2,092,893**	**62,046**	**2,154,939**	3,907,523	60,127	3,967,650
Issued 68,280,681 units (2020: 77,409,998)						
- Capital value	**651,405**	**-**	**651,405**	737,818	-	737,818
- Element of income	**15,016**	**-**	**15,016**	6,666	-	6,666
Total proceeds on issuance of units	**666,421**	**-**	**666,421**	744,484	-	744,484
Redemption of 79,412,257 units (2020: 206,671,449 units)						
- Capital value	**(757,601)**		**(757,601)**	(1,969,848)	-	(1,969,848)
- Element of loss	**(6,094)**	**(11,917)**	**(18,011)**	(2,690)	(22,286)	(24,976)
Total payments on redemption of units	**(763,695)**	**(11,917)**	**(775,612)**	(1,972,538)	(22,286)	(1,994,824)
Total comprehensive income for the period	**-**	**88,991**	**88,991**	-	95,400	95,400
Net assets at end of the period	**1,995,619**	**139,120**	**2,134,739**	2,679,469	133,241	2,812,710
Undistributed income brought forward (June 30, 2021 and June 30, 2020)						
- Realised		**62,046**			60,127	
- Unrealised		**-**			-	
		62,046			60,127	
Accounting income available for distribution						
- Relating to capital gains		**-**			-	
- Excluding capital gains		**77,074**			73,114	
		77,074			73,114	
Distribution during the period		**-**			-	
Undistributed income carried forward		**139,120**			133,241	
Undistributed income carried forward						
- Realised		**139,120**			133,241	
- Unrealised		**-**			-	
		139,120			133,241	
			--- Rupees ---			--- Rupees ---
Net assets value per unit at beginning of the period			**9.5401**			9.5313
Net assets value per unit at end of the period			**9.9405**			9.8000

The annexed notes 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

	Half year ended	
	December 31, 2021	December 31, 2020
	---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	**88,991**	95,400
Adjustments:		
- bank balances	**(49,749)**	(54,164)
- term deposit	**(9,562)**	(34,615)
- sukuks	**(3,065)**	(2,101)
- bai - muajjal	**-**	(11,228)
- commercial paper	**(10,689)**	(22,034)
- certificate of musharka	**(12,404)**	-
Provision for Sindh Workers' Welfare Fund	**(22,002)**	1,947
	(107,471)	(122,195)
	(18,480)	(26,795)
Decrease in assets		
Investments	**475,867**	166,266
Deposit, prepayments and other receivables	**213**	193
	476,080	166,459
(Decrease) / increase in liabilities		
Payable to the Management Company	**412**	(4,766)
Payable to the Trustee	**(8)**	(81)
Payable to the Securities and Exchange Commission of Pakistan	**(373)**	(309)
Accrued expenses and other liabilities	**(18,488)**	(42,859)
	(18,457)	(48,015)
Mark-up on bank balances received	**45,425**	65,983
Mark-up on term deposit received	**9,622**	33,014
Mark-up on sukuks received	**3,308**	-
Mark-up on bai - muajjal received	**-**	12,310
Mark-up on commercial paper	**10,688**	22,034
Mark-up on certificate of musharka	**12,942**	-
Net cash generated from operating activities	**521,128**	224,990
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	**666,421**	760,618
Amounts paid on redemption of units	**(774,920)**	(2,001,251)
Net cash used in financing activities	**(108,499)**	(1,240,633)
Net increase / (decrease) in cash and cash equivalents during the period	**412,629**	(1,015,643)
Cash and cash equivalents at the beginning of the period	**1,095,575**	2,092,481
Cash and cash equivalents at the end of the period (Refer note 4)	**1,508,204**	1,076,838

The annexed notes 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 Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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

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

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely " Sindh Trust 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.

Management Company has obtained approval of SECP, pursuant to which the category of the Fund was changed from shariah compliant aggressive fixed income scheme to 'shariah compliant income scheme' and the name of the Fund was 'NAFA Islamic Savings Fund' with effect from March 14, 2017.

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return by investing in Shariah compliant securities, having a good credit rating and liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company on December 23, 2021, and has assigned stability rating of 'AA-(f)' to the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of International Accounting Standard 34 - Interim Financial Reporting issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, Voluntary Pension System Rules, 2005 (the VPS Rules) and the requirement of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the VPS Rules and requirements

of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the VPS Rules and requirements of the Trust Deed have been followed.

The disclosures present in the condensed interim financial statements have however been limited based on the requirement of IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all the information and disclosures as required in a full set of financial statements and should vary in conjunction with the annual financial statements of the fund for the year ended June 30, 2021.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended December 31, 2021.

3.2 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 Company

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

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
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

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	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

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			---------- Rupees in '000 ---------	
4	**BANK BALANCES**			
	Current accounts	4.1	**4,011**	18,373
	Saving accounts	4.2	**1,504,193**	1,077,202
			1,508,204	1,095,575

4.1 These include a bank balance of Rs.0.32 million (June 30, 2021: Rs.0.723 million), which is maintained in current accounts with National Bank of Pakistan, related party.

4.2 These savings accounts carry profit at rates ranging from 6.73% to 11.25% per annum (June 30, 2021: 4.50% to 7.40% per annum). Balance maintained with related parties i.e National Bank of Pakistan amount to Rs. 0.64 million (June 30, 2021: Rs. 0.574 million) Bank Islami Pakistan amounted to Rs. 583.8 million (June 30, 2021: Rs. 3.61 million) respectively.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			---------- Rupees in '000 ----------	
5	**INVESTMENTS**			
	Financial assets at fair value through profit or loss			
	Sukuks	5.1 & 5.2	**50,000**	75,000
	Commercial paper	5.3	**252,193**	358,060
	Term deposit receipt	5.4	**-**	300,000
	Certificate of musharka	5.5	**315,000**	360,000
			617,193	1,093,060

5.1 Sukuk's certificates- At fair value through profit or loss

Description	Number of certificates				Market value as at December 31, 2021	Investment as a percentage of	
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021		Net assets	Market value of total investments
					Rupees in '000	----------(%)----------	
All sukuks have a face value of Rs. 100,000 each							
The Hub Power Company Limited	750	500	750	500	50,000	0.02	0.08
Total as at December 31, 2021					**50,000**		
Carrying value before mark to market as at December 31, 2021					**50,000**		

5.2 Non-performing sukuks classified at fair value through profit or loss

Name of the investee company	Note	Number of certificates				Market value as at December 31, 2021	Investment as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021		Net assets	Market value of total investments
						Rupees in '000	----------(%)----------	
All sukuks have a face value of Rs. 100,000 except New Allied Electronics Industries (Private) Limited - Sukuk 1 and Sukuk 2 which have face value of Rs. 312.5 and 4,905 respectively.								
New Allied Electronics Industries (Private) Limited								
- Sukuk 1	5.2.1	352,000	-	-	352,000	-	-	-
New Allied Electronics Industries (Private) Limited								
- Sukuk 2	5.2.1	1,000	-	-	1,000	-	-	-
						-		
Carrying value as at December 31, 2021						**114,905**		
Accumulated impairment						**114,905**		

5.2.1 These represent investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as non performing asset by MUFAP since January 9, 2009. The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

5.2.2 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5.2.3 Significant terms and conditions of sukuks outstanding as at December 31, 2021 are as follows:

Name of the investee company	Face value (unredeemed)	Profit rate per annum	Issue date	Maturity date
	---Ruppes in '000---			
The Hub Power Company Limited	50,000	6 month KIBOR + 1.00%	May 05, 2021	Nov 05, 2021
New Allied Electronics Industries (Private) Limited - Sukuk 1	110,000	3 month KIBOR + 2.60%	Jul 27, 2007	Jul 27, 2012
New Allied Electronics Industries (Private) Limited - Sukuk 2	4,905	6 month KIBOR + 2.20%	Dec 03, 2007	Dec 03, 2012

5.3 Commercial Paper

Name of the investee company	Note	Face value				Carrying Value as at December 31, 2021	Carrying Value as at June 30, 2021
		As at July 01, 2021	Purchases during the period	Sales / Matured during the period	As at December 31, 2021		
		Rupees in '000					
K Electric		250,000	-	250,000	-	-	244,632
K Electric		115,000	-	115,000	-	-	113,428
K Electric	5.3.1	-	50,000	-	50,000	48,921	-
K Electric	5.3.1	-	60,000	-	60,000	58,182	-
Lucky Electric Power Company Ltd	5.3.1	-	100,000	-	100,000	96,780	-
K Electric	5.3.1	-	50,000	-	50,000	48,310	-
Total		365,000	260,000	365,000	260,000	252,193	358,060
Carrying value as at December 31, 2021						252,193	

5.3.1

Particulars	Profit / mark-up rates	Issue date	Maturity Date	Face Value	Carrying Value as at December 31, 2021	Carrying value as a % of net assets	Carrying value as a % of total investment
				Rupees in '000			
K Electric	8.66%	October 06, 2021	April 07, 2022	50,000	48,921	2.29%	7.93%
K Electric	9.41%	November 04, 2021	May 04, 2022	60,000	58,182	2.73%	9.43%
Lucky Electric Power Company Ltd	9.62%	November 09, 2021	May 09, 2022	100,000	96,780	4.53%	15.68%
K Electric	9.57%	November 16, 2021	May 09, 2022	50,000	48,310	2.26%	7.83%
				260,000	252,193		

5.4 Term deposit Receipt

Name of the investee company	Note	Face value				Face Value as at June 30, 2021
		As at July 01, 2021	Purchases during the period	Sales / Matured during the period	As at December 31, 2021	
		Rupees in '000				
Bank Islami Pakistan Limited		300,000	-	300,000	-	300,000
Bank Islami Pakistan Limited		-	320,000	320,000	-	-
Bank Islami Pakistan Limited		-	315,000	315,000	-	-
Bank Islami Pakistan Limited		-	315,000	315,000	-	-
Bank Islami Pakistan Limited		-	316,929	316,929	-	-
		300,000	1,266,929	1,566,929	-	300,000

5.5 Musharka

Name of the investee company	Note	Face value				Face Value as at June 30, 2021
		As at July 01, 2021	Purchases during the period	Sales / Matured during the period	As at December 31, 2021	
		---------- Rupees in '000 ----------				
First Habib Mudarba		360,000	-	360,000	-	360,000
First Habib Mudarba	5.5.1	-	315,000	-	315,000	-
		360,000	315,000	360,000	315,000	360,000

5.5.1

Particulars	Profit / mark-up rates	Issue Date	Maturity Date	Carrying Amount	Carrying Amount as a % of net assets	Carrying Amount as a % of total investment
				----'Rupees in '000----		
Certificate of musharka	7.30%	July 26, 2021	Jan 26, 2022	315,000	0.15%	0.51%

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
6 ACCRUED PROFIT		--------- Rupees in '000 ---------	
Profit accrued on:			
- Bank balances		**12,721**	8,396
- TDR		**-**	60
- Sukuks		**782**	1,025
- Certificate of musharka		**10,617**	11,155
		24,120	20,636
7 DEPOSITS, PREPAYMENTS AND OTHER RECEIBABLES			
Security deposit with Central Depository Company of Pakistan		100	100
Advance Tax		1,240	1,240
Prepayments		14	227
		1,354	1,567
8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY			
Remuneration of the Management Company	8.1	**1,229**	971
Sindh Sales Tax on remuneration of the Management Company	8.2	**160**	126
Reimbursement of operational expenses	8.3	**689**	746
Sales load		**492**	398
Sindh Sales Tax and Federal Excise Duty on sales load		**719**	707
Reimbursement of selling and marketing expense payable	8.4	**3,978**	4,179
ADC charges and Sindh Sales Tax on ADC charges		**380**	108
		7,647	7,235

8.1 Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to an accrued remuneration. During the year, Management Company has charged remuneration as follows:

- 8% per annum on the daily income of the Fund subject to minimum 0.5% as average of NAV and maximum 1.5% of average NAV, applicable from January 10, 2020 onwards.

For the purpose of above calculation, daily net income is equals to gross income minus all expenses of the Fund excluding management remuneration and related sales tax and federal excise duty thereon.

8.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8.3 As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the scheme. Accordingly, the Management Company has charged 0.125% of the average annual net assets.

8.4 The SECP through its Circular No. SCD/PRDD/Circular/394/2018 (Circular No. 5 of 2018) dated June 04, 2018 allowed to charge selling and marketing expenses to all categories of mutual funds (except fund of funds and money market funds) subject to, cap of 0.4% per annum of net assets or actual whichever is lower and Board approval. In prior year, SECP through its Circular No. 11 of 2019 dated July 5, 2019, has now removed cap of 0.4% on all open end funds (except “Fund of Funds”). In addition to the requirement of Board approval, now these expenses to be paid to Management Company on reimbursement basis and subject to approval of the Trustee.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	**Note**	**--------- Rupees in '000 ---------**	
Remuneration of the Trustee	9.1	**137**	144
Sindh Sales Tax on remuneration of the Trustee	9.2	**18**	19
		155	163

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per tariff specied therein, based on the net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

This amount represents the Trustee is entitled to a monthly remuneration for services rendered to the Fund at the rate of 0.075% per annum of average net assets.

9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme categorised as "shariah compliant" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% of the average annual net assets of the Fund. SECP vide SRO 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee at 0.02% of the net assets of the fund and accordingly such fee has been charged at the rate of 0.02% percent during the year. The fee is paid annually in arrears.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
11	**ACCRUED EXPENSES AND OTHER LIABILITIES**		--------- Rupees in '000 ---------	
	Auditors' remuneration		**448**	562
	Provision for Sindh Workers' Welfare Fund	11.1	**-**	22,002
	Federal Excise Duty on remuneration of the Management	11.2	**3,955**	3,955
	Settlement charges		**36**	10
	Withholding tax		**62**	17,402
	Capital gains tax		**489**	2,056
	Legal and professional charges		**724**	716
	Bank charges		**38**	17
	Brokerage payable		**17**	17
	Printing charges		**66**	44
	Shariah advisor fee		**175**	419
	Others		**1,104**	404
			7,114	47,604

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

Provisioning against Sindh Workers' Welfare Fund by NBP Isalmic Savings Fund amounting to Rs. 22.29 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Isalmic Savings Fund by 1.04% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

11.2 The legal status of applicability of Federal Excise Duty on the Fund is same as disclosed in note 11.1 and 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2021, and the appeal, filed by tax authorities against the order in the Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to December 31, 2021 aggregating to Rs. 3.955 million. Had the provision not been retained, NAV per unit of the Fund as at December 31, 2021 would have been higher by Rs.0.0184 per unit (June 30, 2021: Rs.0.0175 per unit).

12 CONTINGENCIES AND COMMITMENTS

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

13 TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised

or unrealised to the unit holders. The Fund intends to distribute such accounting income for the year ending June 30, 2022 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current 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.

13.1 In assessment for Tax Year 2018 in respect of NBP Islamic Saving Fund, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

Last year income tax order was passed for tax year 2018 dated November 12, 2020 through which a tax demand of Rs. 64,268,100 was raised by the concern Additional Commissioner Inland Revenue (ACIR) of Federal Board of Revenue (FBR). In response to the order, the Fund filed appeal with commissioner dated December 9, 2020.

The Fund also obtained stay from the Hon'ble High Court of Sindh (SHC) dated December 14, 2020 against recovery of impugned tax demand. In its judgement, SHC held that since the subject matter is pending before commissioner appeal inland revenue, the recovery of impugned demand would not be enforced till the final decision of appeal.

Further, the issue of distribution of income was also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and were very hopeful that the matter will be resolved soon as the matter had merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund. Further, we have been given to understand by management that SECP agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

The Management Company also filed representation to the Chairman FBR under section 7 of FBR, ACT, 2007, in response to which a letter dated February 25, 2021 was issued by Revenue Division of FBR which states that the subject matter was referred to ICMAP, ICAP and SECP for their expert opinion and all three refrees expressed identical opinions, holding that the payments of income on redemption were to be construed as 'distribution of profits'. In view of the same, FBR advised concerned ACIR to decide the issue in view of the legal position narrated in this letter.

During the current period, the ACIR disposed off the aforementioned appeal by passing the order of being annulled as on October 14, 2021.

13.2 On the same above basis of note 13, show cause notice was issued to the Fund on July 8, 2020 for the tax year 2016. Subsequently, during the period ended December 31, 2021, the concerned Additional Commissioner passed the order dated November 16, 2021 demanding tax payable of Rs. 40,750,720. In response, the fund filed appeal with Commissioner Inland Revenue Appeals (CIRA) on December 11, 2021. However, no hearing has been fixed yet. Meanwhile the Fund has obtained the stay order against recovery of impugned tax demand till February 27, 2022.

Management believes that the Fund have distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 and they have a good case against the said order. Hence, no provision for taxation has been made in the condensed interim financial statements.

14 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 1.69% including 0.10% representing government levies on collective investment scheme such as Sales tax

and Securities and Exchange Commission of Pakistan fee for the period.However, as per SECP SRO 639 (I)/2019 date 20 june, 2019, total expense ratio has been limited to 2% for Income Funds.

15 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.

16 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan (SECP) vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to categorize funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'income scheme'.

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

Following is the detail of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Value of investment after provision	Value of investment after provision
New Allied Electronics Industries (Private) Limited - Sukuk 1	Rating is below investment grade as prescribed in clause 9(v) of the Annexure of circular 7 of 2009	Sukuks (5.2)	110,000	(110,000)	-	-	-
New Allied Electronics Industries (Private) Limited - Sukuk 2	Rating is below investment grade as prescribed in clause 9(v) of the Annexure of circular 7 of 2009	Sukuks (5.2)	4,905	(4,905)	-	-	-

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

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

17.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

17.2 The transactions with connected persons and related parties are carried out at agreed terms.

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

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

17.5 Details of transactions with connected persons and related parties are as follows:

	(Unaudited) Half year ended	
	December 31, 2021	December 31, 2020
	--------- Rupees in '000 ---------	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	**5,963**	8,713
Sindh Sales Tax on remuneration of the Management Company	**775**	1,133
Reimbursement of operational expenses to the Management Company	**1,367**	1,858
Sales load including Sindh Sales Tax and Federal Excise Duty	**1,599**	2,074
Reimbursement of selling and marketing expenses	**7,953**	12,002
Units issued / transferred in 10,067 units (2020: 1038 units)	**100**	10
Units Redeemed / Transferred Out 52 units (2020: nil units)	**1**	-
ADC charges including Sindh Sales Tax	**278**	89
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**820**	1,292
Sindh Sales Tax on remuneration of the Trustee	**107**	168
Settlement charges	**29**	4
Employees of the Management Company		
Units issued / transferred in 465,969 units (2020: 680,561 units)	**4,529**	6,574
Units redeemed / transferred out 301,288 units (2020: 2,073,694 units)	**2,930**	19,939
****Portfolio managed by mangement company**		
Units redeemed / transferred out nil units (2020 1,495,228 Units)	**-**	14,589
****Pakistan Stock Exchange**		
Listing fees paid	**-**	14
Mr. Khalid Mehmood (Chief Financial Officer of the Management Company)		
Units redeemed / transferred out 6,158 units (2020:nil units)	**60**	-
Bank Islami Pakistan Limited (Common directorship)		
Profit on Saving accounts	**11,998**	4,075
Profit on Term deposit receipt	**9,562**	15,928
Placement of Term deposit receipt	**1,266,929**	2,449,500

17.6 Amounts outstanding as at period / year end are as follows:

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	--------- Rupees in '000 ---------	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	**1,229**	971
Sindh Sales Tax on remuneration of the Management Company	**160**	126
Reimbursement of operational expenses	**689**	746
Sales load	**492**	398
Sindh Sales Tax and Federal Excise Duty on sales load	**719**	707
Reimbursement of selling and marketing expense payable	**3,978**	4,179
ADC charges and Sindh Sales Tax on ADC Charges	**380**	108
Investment held in the Fund: 11,105 units (June 30, 2021: nil units)*	**110**	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**137**	144
Sindh sales tax on remuneration of the Trustee	**18**	19
Security deposit	**100**	100
Settlement Charges	**36**	-
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	**961**	767
Employees of the Management Company		
Investment held in the Fund: 699,217 units (June 30, 2021: 514,379 units)	**6,951**	4,907
Mr. Khalid Mehmood (Chief Financial Officer of the Management Company)		
Investment held in the Fund: Nil units (June 30, 2021: 6,158 units)	**-**	59
Bank Islami Pakistan Limited (Common directorship)		
Balance in savings accounts	**583,796**	3,613
Term deposit receipt	**-**	300,000
Profit on Bank Deposit	**9,496**	70
Profit on Term Deposit	**-**	60

* Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

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

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. 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. The fair value of financial assets traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period

end date. The quoted market prices used for financial assets held by the Fund is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

		Carrying amount			Fair value			
		At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2021	**Note**	---------- Rupees in '000 ----------						
Financial assets measured at fair value								
Sukuk's	5	**50,000**	**-**	50,000	**-**	50,000	**-**	**50,000**
Term deposit receipt	5	**-**	**-**	-	**-**	**-**	**-**	**-**
Commercial paper	5	**252,193**	**-**	252,193	**-**	252,193	**-**	**252,193**
Certificate of musharka	5	**315,000**	**-**	315,000	**-**	315,000	**-**	**315,000**
		617,193	**-**	**617,193**	**-**	**617,193**	**-**	**617,193**
Financial assets not measured at fair value								
Bank balances	4	**-**	**1,508,204**	**1,508,204**	**-**	**-**	**-**	**-**
Accrued interest and dividend receivable	6	**-**	**24,120**	**24,120**	**-**	**-**	**-**	**-**
Deposits and other receivables	7	**-**	**1,354**	**1,354**	**-**	**-**	**-**	**-**
		-	**1,533,678**	**1,533,678**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Payable to the Management Company	8	**-**	**7,647**	**7,647**	**-**	**-**	**-**	**-**
Remuneration payable to the Trustee	9	**-**	**155**	**155**	**-**	**-**	**-**	**-**
Payable against redemption of units		**-**	**997**	**997**	**-**	**-**	**-**	**-**
Net assets attributable to redeemable units		**-**	**2,134,739**	**2,134,739**	**-**	**-**	**-**	**-**
Accrued expenses and other liabilities	11	**-**	**2,435**	**2,435**	**-**	**-**	**-**	**-**
		-	**2,145,973**	**2,145,973**	**-**	**-**	**-**	**-**

June 30, 2021	Note	Carrying amount: At Fair value through profit or loss	Carrying amount: Amortized Cost	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
		Rupees in '000						
Financial assets measured at fair value								
Sukuk's	5	75,000	-	75,000	-	75,000	-	75,000
Term deposit receipt	5	300,000	-	300,000	-	300,000	-	300,000
Commercial paper	5	358,060	-	358,060	-	358,060	-	358,060
Certificate of Musharka	5	360,000	-	360,000		360,000	-	360,000
		1,093,060	-	1,093,060	-	1,093,060		1,093,060
Financial assets not measured at fair value								
Bank balances	4	-	1,095,575	1,095,575	-	-	-	-
Receivable against Transfer of Shares		-	-	-	-	-	-	-
Profit Accrued	6	-	20,636	20,636	-	-	-	-
Deposits	7	-	100	100	-	-	-	-
		-	1,116,311	1,116,311	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	8	-	7,235	7,235	-	-	-	-
Remuneration payable to the Trustee	9.	-	163	163	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan			592	592				
Payable against redemption of units			305	305	-	-	-	-
Net assets attributable to redeemable units			2,154,939	2,154,939	-	-	-	-
Accrued expenses and other liabilities	11	-	47,604	47,604	-	-	-	-
		-	2,210,838	2,210,838	-	-	-	-

19 GENERAL

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

19.2 This condensed interim financial information are unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 have not been reviewed.

20 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of the Management Company on February 23, 2022.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

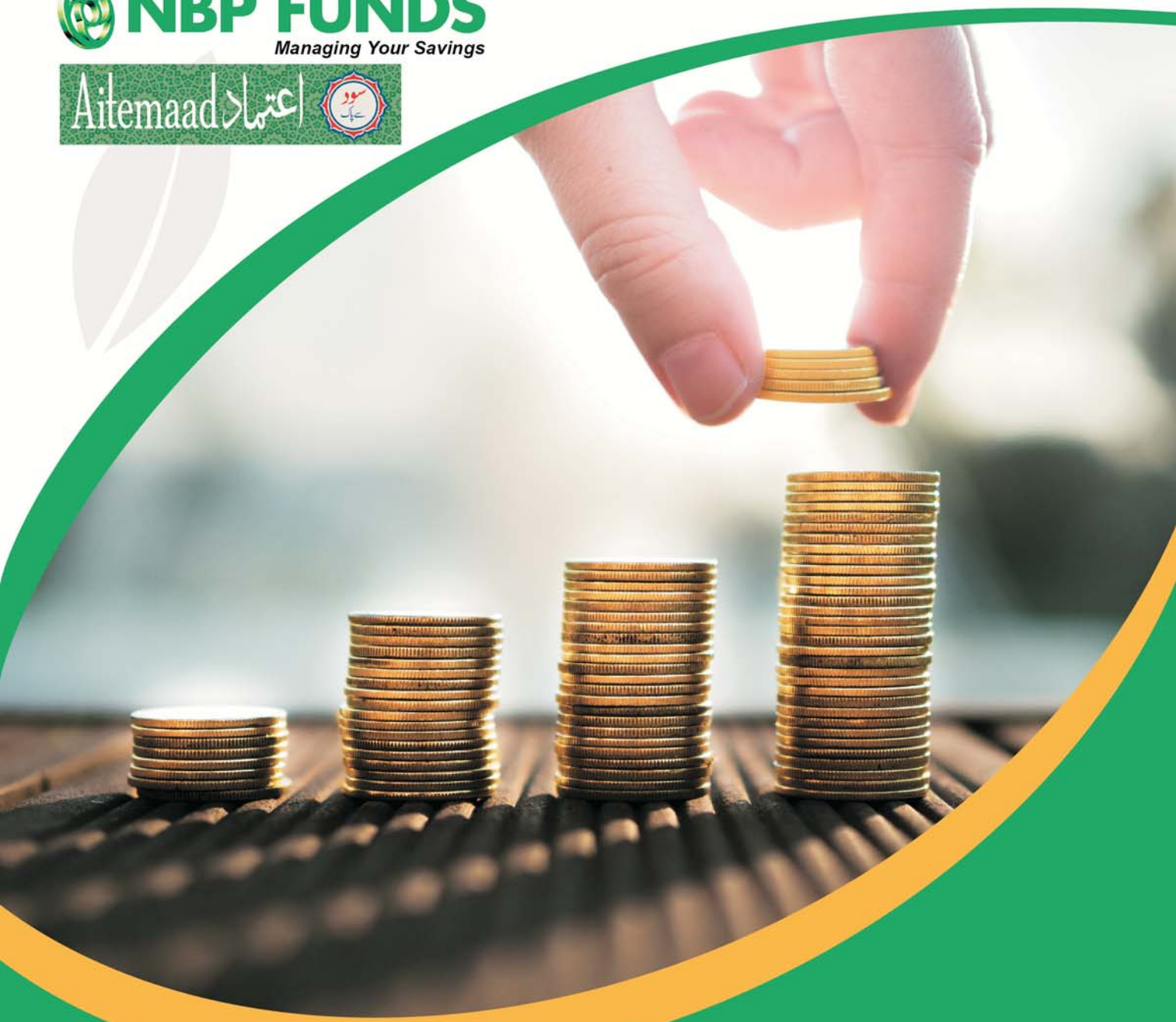
Head Office

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
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



NBP RIBA FREE SAVINGS FUND

HALF YEARLY REPORT

DECEMBER 31, 2021

AM1

Rated by PACRA

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

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

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

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

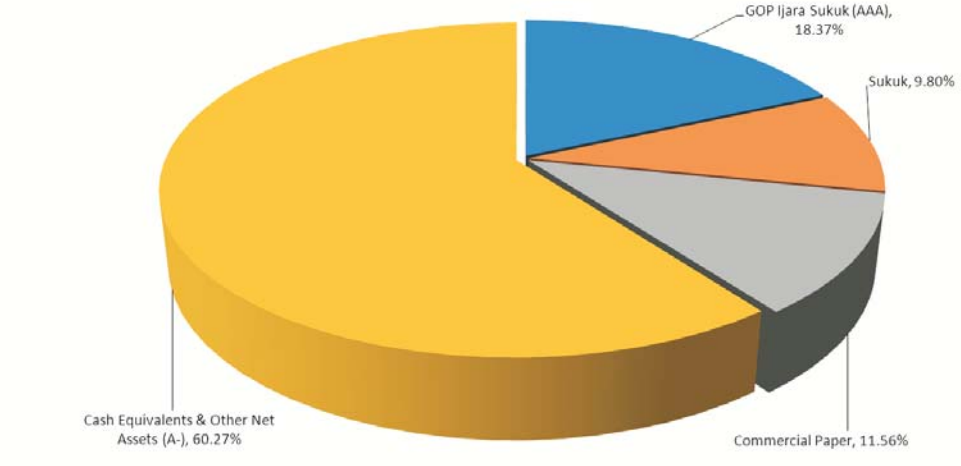
Fund's Performance

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.

NRFSF is an Islamic Income Scheme with no direct or indirect exposure to the stock market. The stability rating of the Fund by PACRA is 'A+ (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

The size of NBP Riba Free Savings Fund has decreased from Rs. 4,327 million to Rs. 3,358 million during the period, a decline of 22%. During the period, the unit price of the Fund has increased from Rs. 10.2426 on June 30, 2021 to Rs. 10.6478 on December 31, 2021, thus showing a return of 7.8% p.a. as compared to the benchmark return of 3.1% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 186.61 million during the period. After deducting total expenses of Rs. 33.98 million, the net income is Rs. 152.63 million. The asset allocation of NRFSF 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 بصد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP ربا فری سیونگز فنڈ (NRFSF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

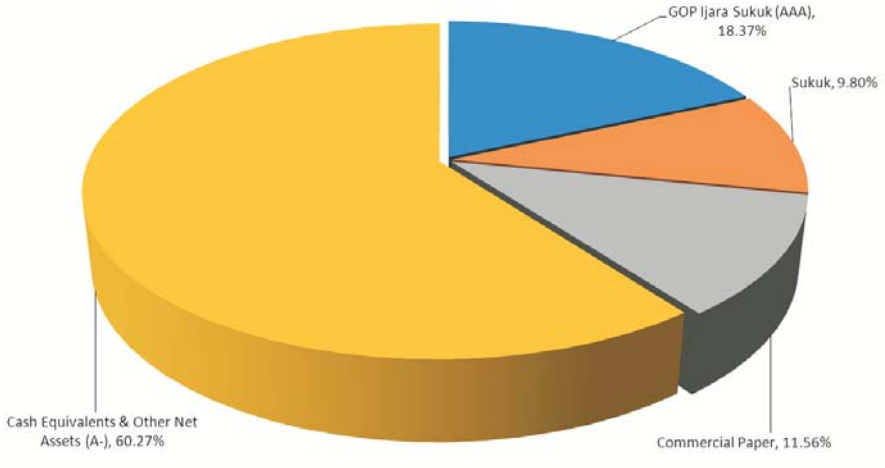
فنڈ کی کارکردگی

1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراطِ زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراطِ زر عالمی قیمتیں اور مقامی طلب نمو 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 افراطِ 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۔

NRFSF ایک اسلامک انکم اسکیم ہے جس کا اسٹاک مارکیٹ سے بالواسطہ یا بلاواسطہ کوئی ایکسپوژر نہیں ہے۔ فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیبلیٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تواتر سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔

NBP ربا فری سیونگز فنڈ کا سائز اس مدت کے دوران 4,327 ملین روپے سے کم ہو کر 3,358 ملین روپے ہو گیا ہے یعنی 22% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.2426 روپے سے بڑھ کر 31 دسمبر 2021ء کو 10.6478 روپے تک پہنچ چکی ہے، لہٰذا اسی مدت کے لئے اپنے بنچ مارک منافع 3.1% کے مقابلے میں 7.8% منافع درج کرایا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویژننگ ریورس کر دی گئی۔ اس پروویژن کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے اس مدت کے دوران 186.61 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 33.98 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 152.63 ملین روپے رہی۔
درج ذیل چارٹ 31 دسمبر 2021 کو NRFSF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط ریٹنگ پیش کرتا ہے۔



اظہارتشکر

بورڈاس موقع سے فائدہ اُٹھاتے 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 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 مینجمنٹ لمیٹڈ

چیف ایگزیکٹو **ڈائریکٹر**

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 Riba Free Savings 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 Riba Free Savings 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) ---------	
ASSETS			
Bank balances	4	2,649,111	2,317,066
Investments	5	1,334,397	2,838,332
Profit receivable		30,942	24,633
Receivable against issuance of units		185	3,228
Deposits and prepayments		214	461
Total assets		4,014,849	5,183,720
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	6	23,068	22,618
Payable to Central Depository Company of Pakistan Limited - the Trustee		264	299
Payable to the Securities and Exchange Commission of Pakistan	7	398	1,005
Payable against purchase of investments		624,015	625,481
Payable against redemption of units		1,509	129,126
Accrued expenses and other liabilities	8	7,200	78,193
Total liabilities		656,454	856,722
NET ASSETS		3,358,395	4,326,998
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,358,395	4,326,998
CONTINGENCIES AND COMMITMENTS	9		
		----------(Number of units)--------	
NUMBER OF UNITS IN ISSUE		315,407,997	422,452,898
		----------(Rupees)----------	
NET ASSET VALUE PER UNIT	10	10.6478	10.2426

The annexed notes 1 to 17 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

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees in '000)			
INCOME					
Income on corporate sukuk certificates		11,758	29,502	6,497	5,321
Income on term deposit receipts		21,962	42,502	7,318	42,502
Income on Islamic commercial papers		17,134	26,850	6,851	15,382
Income on GoP Ijarah sukuk certificates		23,285	27,802	12,316	12,825
Income on bai muajjal certificate		-	10,451	-	4,516
Profit on bank balances		79,680	65,418	48,159	16,450
		153,819	202,525	81,141	96,996
(Loss) / gain on sale of investments - net		(3,288)	16,350	(3,288)	(1,870)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	5.5	1,950	1,918	(2,163)	(355)
		(1,338)	18,268	(5,451)	(2,225)
Total income		152,481	220,793	75,690	94,771
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	6.1	10,340	14,781	5,105	6,997
Sindh sales tax on remuneration of the Management Company	6.2	1,344	1,921	663	909
Reimbursement of selling and marketing expenses	6.5	15,944	19,491	8,389	9,792
Reimbursement of allocated expenses	6.4	2,490	3,031	1,229	1,645
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		1,494	2,088	738	1,049
Sindh sales tax on remuneration of the Trustee		194	271	96	136
Annual fee to the Securities and Exchange Commission of Pakistan	7.1	398	557	196	280
Settlement and bank charges		246	449	96	313
Auditors' remuneration		602	387	354	168
Annual rating fee		261	237	131	119
Legal and professional charges		311	66	200	43
Annual listing fee		14	14	7	7
Printing charges		68	99	59	85
Shariah advisor fee		271	338	107	154
Total operating expenses		33,977	43,730	17,370	21,697
Net income from operating activities		118,504	177,063	58,320	73,074
Reversal of / (provision against) Sindh Workers' Welfare Fund - net	8.1	34,128	(3,541)	-	(1,461)
Net income for the period before taxation		152,632	173,522	58,320	71,613
Taxation	11	-	-	-	-
Net income for the period after taxation		152,632	173,522	58,320	71,613
Earnings per unit	12				
Allocation of net income for the period:					
Net income for the period after taxation		152,632	173,522	58,320	71,613
Income already paid on units redeemed		(34,341)	(45,075)	(28,154)	(30,662)
		118,291	128,447	30,166	40,951
Accounting income available for distribution					
- Relating to capital gains		-	18,268	-	-
- Excluding capital gains		118,291	110,179	30,166	40,951
		118,291	128,447	30,166	40,951

The annexed notes 1 to 17 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		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in '000)			
Net income for the period after taxation	152,632	173,522	58,320	71,613
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	152,632	173,522	58,320	71,613

The annexed notes 1 to 17 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)	4,279,800	47,198	4,326,998	5,119,835	42,837	5,162,672
Issue of 61,915,094 units (2020: 361,936,724 units)						
- Capital value (at ex-net asset value per unit)	634,172	-	634,172	3,703,300	-	3,703,300
- Element of income	14,055	-	14,055	65,501	-	65,501
Total proceeds on issuance of units	648,227	-	648,227	3,768,801	-	3,768,801
Redemption of 168,959,995 units (2020: 358,720,629 units)						
- Capital value (at ex-net asset value per unit)	(1,730,590)		(1,730,590)	(3,670,394)	-	(3,670,394)
- Element of loss	(4,531)	(34,341)	(38,872)	(26,972)	(45,075)	(72,047)
Total payments on redemption of units	(1,735,121)	(34,341)	(1,769,462)	(3,697,366)	(45,075)	(3,742,441)
Total comprehensive income for the period	-	152,632	152,632	-	173,522	173,522
Net assets at the end of the period (un-audited)	3,192,906	165,489	3,358,395	5,191,270	171,284	5,362,554
Undistributed income brought forward						
- Realised income		44,948			42,837	
- Unrealised income		2,250			-	
		47,198			42,837	
Accounting income available for distribution						
- Relating to capital gains		-			18,268	
- Excluding capital gains		118,291			110,179	
		118,291			128,447	
Distribution during the period		-			-	
Undistributed income carried forward		165,489			171,284	
Undistributed income carried forward						
- Realised income		163,539			169,366	
- Unrealised income		1,950			1,918	
		165,489			171,284	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		10.2426			10.2319	
Net asset value per unit at the end of the period		10.6478			10.5608	

The annexed notes 1 to 17 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

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		152,632	173,522
Adjustments:			
Income on corporate sukuk certificates		(11,758)	(29,502)
Income on term deposit receipts		(21,962)	(42,502)
Income on Islamic commercial papers		(17,134)	(26,850)
Income on GoP Ijarah sukuk certificates		(23,285)	(27,802)
Income on bai muajjal certificate		-	(10,451)
Profit on bank balances		(79,680)	(65,418)
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	5.5	(1,950)	(1,918)
(Reversal of) / provision against Sindh Workers' Welfare Fund - net	8.1	(34,128)	3,541
		(189,897)	(200,902)
Decrease in assets			
Investments - net		194,419	1,897,519
Deposits and prepayments		247	223
		194,666	1,897,742
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - the Management Company		450	(439)
Payable to Central Depository Company of Pakistan Limited - the Trustee		(35)	(2)
Payable to the Securities and Exchange Commission of Pakistan		(607)	(652)
Accrued expenses and other liabilities		(36,865)	(69,654)
		(37,057)	(70,747)
Profit received on bank deposits, term deposit receipts, corporate sukuk certificates, Islamic commercial papers, GoP Ijarah sukuk certificates and bai muajjal certificate		147,510	239,789
Net cash generated from operating activities		267,854	2,039,404
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		651,270	3,559,835
Net payment against redemption of units		(1,897,079)	(3,741,718)
Net cash used in financing activities		(1,245,809)	(181,883)
Net (decrease) / increase in cash and cash equivalents during the period		(977,955)	1,857,521
Cash and cash equivalents at the beginning of the period		3,627,066	2,276,787
Cash and cash equivalents at the end of the period	4.3	2,649,111	4,134,308

The annexed notes 1 to 17 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 Riba Free Savings 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 June 29, 2010, 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 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 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 at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 20, 2010 and are transferable and redeemable by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency (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. Furthermore, PACRA has maintained the stability rating of the Fund to A+(f) (2021: A+(f) on April 16, 2021) on October 18, 2021.

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

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.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----------(Rupees in '000)----------	
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	2,629,147	2,287,003
Current accounts	4.2	19,964	30,063
		2,649,111	2,317,066

4.1 These include balances of 0.521 million (June 30, 2021: Rs 0.396 million) and Rs 6.314 (June 30, 2021: Rs 8.522 million) maintained with National Bank of Pakistan and BankIslami Pakistan Limited (related parties) that carry profit at the rates of 7.05% (2021: 4.5%) and 10.2% (2021: 6.8%) per annum respectively. Other savings accounts of the Fund carry profit at the rates ranging from 10.25% to 11.25% per annum (June 30, 2021: 6.5% to 7.4% per annum).

4.2 This includes a balance of Rs 0.608 million (June 30, 2021: Rs 3.345 million) maintained with National Bank of Pakistan (related party).

4.3 Cash and cash equivalents:	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		--------- (Rupees in '000) ---------	
Bank balances	4	2,649,111	2,317,066
Term deposit receipts	5.3	-	1,310,000
		2,649,111	3,627,066

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'			
Government securities	5.1	896,025	897,363
Islamic commercial papers	5.2	388,372	630,969
Term deposit receipts	5.3	-	1,310,000
Corporate sukuk certificates	5.4	50,000	-
		1,334,397	2,838,332

5.1 Government securities

Name of the security	Profit payments	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Sold 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	
											net assets of the Fund	total market value of investments 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	50,000	50,000	50,000	50,000	241,200	241,225	25	7.18%	18.08%
GoP Ijarah sukuk XIX (Face value of Rs. 100,000 per certificate)	Semi-annually	May 29, 2025	Weighted average 6 months T-Bills	75,000	75,000	75,000	75,000	375,675	375,675	-	11.19%	28.15%
Pakistan Energy Sukuk-II (Face value of Rs. 5,000 per certificate)	Semi-annually	May 20, 2030	6 months KIBOR minus base rate of 0.10%	55,000	-	-	55,000	277,200	279,125	1,925	8.31%	20.92%
Total as at December 31, 2021 (un-audited)								894,075	896,025	1,950	26.68%	67.15%
Total as at June 30, 2021 (audited)								895,113	897,363	2,250	20.74%	31.62%

5.2 Islamic commercial papers

Name of the security	Face value				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation	Percentage in relation to	
	As at July 1, 2021	Purchased during the period	Disposed off / matured during the period	As at December 31, 2021				net assets of the Fund	total market value of investments of the Fund
	---------- Rupees in '000 ----------							---------- % ----------	
POWER GENERATION & DISTRIBUTION									
K-Electric Limited ICP - 15 (AA, PACRA)	372,000	-	372,000	-	-	-	-	-	-
K-Electric Limited ICP - 16 (AA, PACRA)	80,000	-	80,000	-	-	-	-	-	-
K-Electric Limited ICP - 18 (A-1+, VIS)	190,000	-	190,000	-	-	-	-	-	-
K-Electric Limited ICP - 22 (A-1+, PACRA)	-	100,000	-	100,000	97,842	97,842	-	2.91%	7.33%
K-Electric Limited ICP - 23 (A-1+, VIS)	-	100,000	-	100,000	96,970	96,970	-	2.89%	7.27%
Lucky Electric Power Company Limited ICP - 1 (A-1, PACRA)	-	200,000	-	200,000	193,560	193,560	-	5.76%	14.51%
Total as at December 31, 2021 (un-audited)					388,372	388,372	-	11.56%	29.11%
Total as at June 30, 2021 (audited)					630,969	630,969	-	14.58%	22.23%

5.2.1 These carry yield ranging from 8.65% to 9.62% per annum and are due to mature latest by May 9, 2022.

5.3 Term deposit receipts

Name of investee company	Rating	Maturity date	Profit rate	As at July 1, 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	Unrealised appreciation	Percentage in relation to	
											net assets of the Fund	total market value of investments of the Fund
				---------- (Rupees in '000) ----------							---------- % ----------	
COMMERCIAL BANKS												
United Bank Limited - Islamic Banking	AAA, VIS	July 30, 2021	6.90%	660,000	-	660,000	-	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A-, PACRA	August 2, 2021	7.30%	650,000	-	650,000	-	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A-, PACRA	August 31, 2021	7.00%	-	600,000	600,000	-	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A-, PACRA	September 27, 2021	7.00%	-	590,000	590,000	-	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A-, PACRA	October 27, 2021	7.45%	-	580,000	580,000	-	-	-	-	-	-
BankIslami Pakistan Limited - a related party	A-, PACRA	November 30, 2021	7.80%	-	583,552	583,552	-	-	-	-	-	-
Total as at December 31, 2021 (un-audited)								-	-	-	-	-
Total as at June 30, 2021 (audited)								1,310,000	1,310,000	-	30.28%	46.15%

5.4 Corporate sukuk certificates

Name of the 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	Percentage in relation to	
												net assets of the Fund	total market value of investments of the Fund
					---------- Number of certificates----------				(Rupees in '000)			---------- % ----------	
POWER GENERATION AND DISTRIBUTION													
The Hub Power Company Limited (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Semi-annually	May 2, 2022	6 months KIBOR plus base rate of 0.8%	-	500	-	500	50,000	50,000	-	1.49%	3.74%
Total as at December 31, 2021 (un-audited)									50,000	50,000	-	1.49%	3.74%
Total as at June 30, 2021 (audited)									-	-	-	-	-

5.5 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 & 5.4	1,334,397	2,838,332
Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	(1,332,447)	(2,836,082)
		1,950	2,250

6 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		----------(Rupees in '000)----------	
Remuneration payable to the Management Company	6.1	1,694	1,776
Sindh sales tax payable on remuneration of the Management Company	6.2	221	231
Federal excise duty on remuneration of the Management Company	6.3	10,657	10,657
Federal excise duty on sales load	6.3	334	334
Sales and transfer load payable		388	621
Sindh sales tax on sales load payable		50	81
Reimbursement of allocated expenses payable	6.4	1,230	1,344
Reimbursement of selling and marketing expenses payable	6.5	8,389	7,522
ADC charges payable including Sindh sales tax		105	52
		23,068	22,618

6.1 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 6% of net income of the Fund subject to floor and capping of 0.5% and 1.25% per annum of average annual net assets respectively (June 30, 2021: 6% of net income of the Fund subject to floor and capping of 0.5% and 1.25% per annum of average annual net assets) during the period ended December 31, 2021. The remuneration is payable to the Management Company in arrears.

6.2 During the period, an amount of Rs. 1.344 million (December 31, 2020: Rs. 1.921 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%).

6.3 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, SHC 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 Supreme Court of Pakistan (SCP) 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 10.657 million (June 30,

2021: Rs 10.657 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 0.0338 (June 30, 2021: Re 0.0252) per unit.

6.4 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, 2020 to December 31, 2021	Rate applicable from October 27, 2020 to June 30, 2021	Rate applicable from July 1, 2020 to October 26, 2020
0.125% of average annual net assets	0.125% of average annual net assets	0.1% of average annual net assets

6.5 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 July 1, 2021 to August 15, 2021	Rate applicable from July 1, 2020 to June 30, 2021
0.9% of average annual net assets	0.8% of average annual net assets	0.7% of average annual net assets	0.7% of average annual net assets

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
7	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**		---------- (Rupees in 000) ---------	
	Annual fee payable	7.1	398	1,005

7.1 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
8	**ACCRUED EXPENSES AND OTHER LIABILITIES**		----------(Rupees in '000)----------	
	Auditors' remuneration payable		504	585
	Provision for Sindh Workers' Welfare Fund	8.1	-	34,128
	Bank charges payable		24	54
	Settlement charges payable		26	25
	Withholding tax payable		51	35,988
	Capital gain tax payable		6,214	6,638
	Legal and professional charges payable		91	80
	Shariah advisor fee payable		275	643
	Printing charges payable		15	52
			7,200	78,193

8.1 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. 34.128 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.

9 CONTINGENCIES AND COMMITMENTS

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

10 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.

11 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.

12 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.

13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.71% (December 31, 2020: 1.70%) which includes 0.1% (December 31, 2020: 0.23%) representing government levy, sales tax and 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 a Shariah compliant income scheme.

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

14.1 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 management 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.

14.2 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.

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

14.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

14.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

	(Un-audited) Half year ended	
	December 31, 2021	December 31, 2020
	(Rupees in '000)	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	10,340	14,781
Sindh Sales Tax on remuneration of the Management Company	1,344	1,921
Reimbursement of selling and marketing expenses	15,944	19,491
Reimbursement of allocated expenses	2,490	3,031
Sales load and Sindh Sales Tax on sales load	1,254	3,032
ADC charges paid including Sindh sales tax during the period	60	82
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	1,494	2,088
Sindh sales tax on remuneration of the Trustee	194	271
Settlement charges	4	54
Employees of the Management Company		
Units issued / transferred in: 1,069,720 units (2020: 2,812,922 units)	11,390	29,308
Units redeemed / transferred out: 1,289,507 units (2020: 2,386,631 units)	13,381	24,909
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units redeemed / transferred out: Nil (2020: 436,294 units)	-	4,530

		(Un-audited) Half year ended	
		December 31, 2021	December 31, 2020
		(Rupees in '000)	
	Portfolio managed by the Management Company		
	Units issued / transferred in: Nil (2020: 2,390,665 units)	-	24,582
	Units redeemed / transferred out: Nil (2020: 9,202,030 units)	-	95,665
	Sale of sukuk certificates	-	33,620
	BankIslami Pakistan Limited - common directorship		
	Profit on bank balance	5,032	5,068
	Profit on term deposit receipts	18,344	16,665
	Placement in term deposit receipts	2,353,552	3,411,000
	Term deposit receipts matured	3,003,552	2,633,500
	Purchase of sukuk certificates - GoP Ijarah sukuk certificates	-	471,563
	Sale of sukuk certificates - GoP Ijarah sukuk certificates	-	954,974
	The Hub Power Company Limited - common directorship*		
	Sale of sukuk certificates	-	761,838
	NBP Islamic Income Fund		
	Sale of sukuk certificates	-	104,597
	NBP Islamic Sarmaya Izafa Fund		
	Sale of GoP Ijarah sukuk certificates	-	297,813
	NBP Islamic Mahana Amdani Fund		
	Sale of sukuk certificates	-	1,125,418
	Pakistan Stock Exchange Limited - common directorship*		
	Listing fee paid	-	25
	National Clearing Company of Pakistan Limited - common directorship		
	Settlement charges	148	153

* 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.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
14.7	**Amounts outstanding as at period / year end are as follows :**	(Rupees in '000)	
	NBP Fund Management Limited - the Management Company		
	Remuneration payable to the Management Company	1,694	1,776
	Sindh sales tax payable on remuneration of the	221	231
	Federal excise duty on remuneration of the	10,657	10,657
	Federal excise duty on sales load	334	334
	Sales and transfer load payable	388	621
	Sindh sales tax on sales load payable	50	81
	Reimbursement of allocated expenses payable	1,230	1,344
	Reimbursement of selling and marketing expenses payable	8,389	7,522
	ADC charges payable including Sindh sales tax	105	52
	Central Depository Company of Pakistan Limited - the Trustee		
	Remuneration payable to the Trustee	234	265
	Sindh sales tax payable on remuneration of the Trustee	30	34
	CDS charges payable	17	15
	Security deposit	200	200

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	--------- (Rupees in '000) ---------	
National Bank of Pakistan - Parent of the Mangement Company		
Bank Balance	1,130	3,741
Profit accrued on bank balances	5	-
BankIslami Pakistan Limited - common directorship		
Bank balance	6,314	8,522
Term deposit receipts	-	650,000
Profit accrued on bank deposits	1,900	569
Profit accrued on term deposit receipts	-	130
Employees of the Management Company		
Units held: 1,019,653 (June 30, 2021: 1,335,132) units	10,857	13,675
Portfolio managed by the Management Company		
Units held: 190 (June 30, 2021: 190) units	2	2
National Clearing Company of Pakistan Limited - common directorship		
Settlement charges payable	8	10
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: 60 (June 30, 2021: 60) units	1	1

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

15 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 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.

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				
Government securities	-	896,025	-	896,025
Islamic commercial papers*	-	388,372	-	388,372
Corporate sukuk certificates**	-	50,000	-	50,000
	-	1,334,397	-	1,334,397

	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	-	897,363	-	897,363
Islamic commercial papers*	-	630,969	-	630,969
Term deposit receipts**	-	1,310,000	-	1,310,000
	-	2,838,332	-	2,838,332

* 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 these is less than six months and they are placed with counterparties which have high credit rating.

**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 ratings.

16 GENERAL

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

16.2 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.

17 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

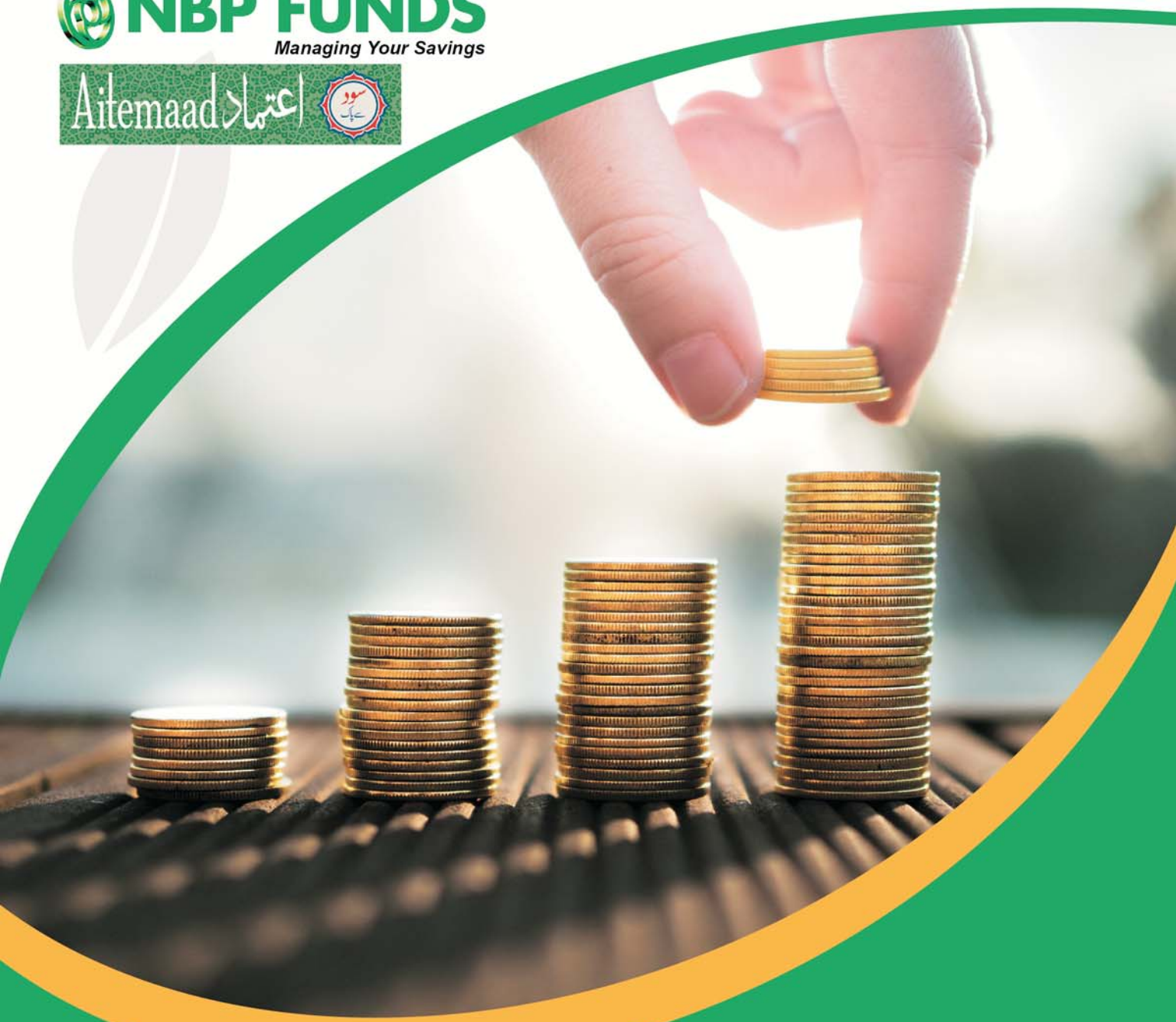
Head Office

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
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



NBP ISLAMIC DAILY DIVIDEND FUND

HALF YEARLY REPORT

DECEMBER 31, 2021

AM1
Rated by PACRA

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

Askari Bank Limited
Bank Alhabib Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited
Dubai Islamic Bank Limited
Allied Bank Limted
National Bank Of Pakistan
JS Bank Limited
Bank Islami Pakistan Limited
Zarai Taraqiati Bank Limited
Faysal Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Daily Dividend Fund** (NIDDF) for the period ended December 31, 2021.

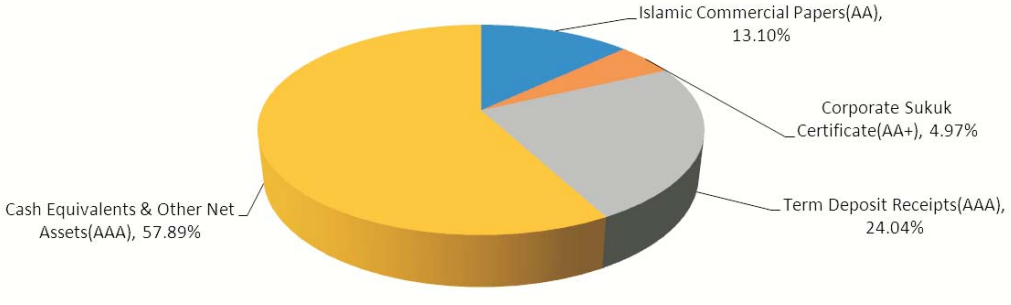
Fund's Performance

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

The 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.

The size of NBP Islamic Daily Dividend Fund has decreased from Rs. 13,292 million to Rs. 12,063 million during the period, a fall of 9%. The unit price of the Fund has increased from Rs. 9.6269 (Ex-Div) on June 30, 2021 to Rs. 10.0000 on December 31, 2021; thus, posting a return of 7.7% p.a. as compared to its Benchmark return of 3.2% p.a. 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. 523.342 million during the period. After deducting total expenses of Rs. 25.223 million, the net income is Rs. 498.119 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIDDF:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 7.7% of the opening ex-NAV (7.7% of the par value) during the period ended December 31, 2021.

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive **Director**

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

ڈائریکٹرز رپورٹ

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

فنڈ کی کارکردگی

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

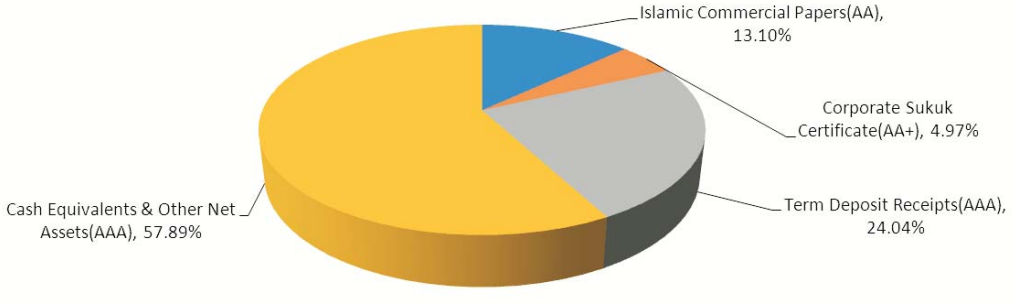
مارکیٹ نے پرائمری مارکیٹ میں مختصر مدتی ڈیبٹ سیکورٹیز اور کمرشل پیپرز کے اجراء میں نمایاں اضافہ دیکھا، اگرچہ بڑھتی ہوئی زیادہ طلب کے مقابلے اس کی رسد کم رہی ہے۔

1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراطِ زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کردیا۔ 1HFY22 کے دوران اوسط افراطِ زر عالمی قیمتیں اور مقامی طلب نمو 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 افراطِ 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۔

NBP اسلامک ڈیلی ڈیویڈینڈ فنڈ کا سائز 13,292 ملین روپے سے کم ہوکر زیرِ جائزہ مدت کے دوران 12,063 ملین روپے ہوگیا یعنی 9% کی کمی ہوئی۔ فنڈ کے یونٹ کی قیمت 30 جون 2021 کو (Ex-Div) 9.6269 روپے سے بڑھ کر 31 دسمبر 2021ء کو 10.000 روپے ہوگئی۔ لہٰذا فنڈ نے اسی مدت میں بنچ مارک منافع 3.2% کے مقابلے 7.7% کا سالانہ منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویژننگ واپس کردی گئی۔ پروویژن کی اس واپسی کے باعث فنڈ کے NAV میں غیر معمولی اضافہ ہوا ہے۔ یہ ایک آخری موقع ہے جو کہ مستقبل میں دوبارہ نہیں آئے گا۔

مدت کے دوران فنڈ کو 523.342 ملین روپے کی مجموعی آمدنی ہوئی۔ 25.223 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 498.119 ملین روپے ہے۔

درج ذیل چارٹ NIDDF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لئے اوپننگ ex-NAV کا 7.7 (بنیادی قدر کا 7.7%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے 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 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 مینجمنٹ لمیٹڈ

چیف ایگزیکٹو **ڈائریکٹر**

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 Daily Dividend 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 Daily Divided 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) ----------	
ASSETS			
Bank balances	4	**6,910,975**	11,427,064
Investments	5	**5,079,805**	1,827,925
Profit receivable		**86,393**	77,956
Prepayments, deposits and other receivables		**656**	738
Preliminary expenses and floatation costs	6	**672**	788
Total assets		**12,078,501**	13,334,471
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	7	**5,895**	8,457
Payable to Central Depository Company of Pakistan Limited - the Trustee		**638**	829
Payable to the Securities and Exchange Commission of Pakistan	8	**1,322**	2,749
Payable against redemption of units		**1,000**	-
Accrued expenses and other liabilities	9	**6,474**	30,364
Total liabilities		**15,329**	42,399
NET ASSETS		**12,063,172**	13,292,072
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**12,063,172**	13,292,072
CONTINGENCIES AND COMMITMENTS	10		
		---------- Number of units ----------	
NUMBER OF UNITS IN ISSUE		**1,206,323,008**	1,329,208,831
		---------- Rupees ----------	
NET ASSET VALUE PER UNIT	11	**10.0000**	10.0000

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

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
		(Rupees in '000)			
INCOME					
Income on corporate sukuk certificates		**9,380**	14,546	**9,380**	10,606
Income on term deposit receipts		**30,528**	63,190	**15,062**	37,040
Income on Islamic commercial papers		**64,662**	61,281	**28,990**	36,628
Income on bai muajjal certificate		**24,898**	41,873	**14,960**	18,550
Profit on bank balances		**371,601**	249,706	**184,850**	143,832
Loss on sale of investments - net		**(131)**	-	**(72)**	-
Total income		**500,938**	430,596	**253,170**	246,656
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	7.1	**6,835**	6,211	**3,110**	3,603
Sindh sales tax on remuneration of the Management Company	7.2	**889**	807	**405**	468
Reimbursement of allocated expenses	7.3	**8,264**	6,885	**3,872**	4,277
Reimbursement of selling and marketing expenses	7.4	**1,129**	12,421	**619**	7,206
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		**3,988**	4,037	**1,704**	2,342
Sindh sales tax on remuneration of the Trustee		**518**	525	**221**	305
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	**1,322**	1,242	**619**	720
Amortisation of preliminary expenses and floatation costs	6.1	**116**	119	**59**	59
Settlement and bank charges		**409**	91	**186**	-
Auditors' remuneration		**424**	230	**303**	125
Legal and professional charges		**301**	44	**255**	26
Annual listing fee		**14**	17	**7**	6
Shariah advisor fee		**895**	574	**782**	528
Printing expenses		**23**	28	**18**	22
Annual rating fee		**96**	70	**49**	32
Total operating expenses		**25,223**	33,301	**12,209**	19,764
Net income from operating activities		**475,715**	397,295	**240,961**	226,892
Reversal of provision / (provision against) Sindh Workers' Welfare Fund - net	9.1	**22,404**	(7,946)	**-**	(4,538)
Net income for the period before taxation		**498,119**	389,349	**240,961**	222,354
Taxation	13	-	-	**-**	-
Net income for the period after taxation		**498,119**	389,349	**240,961**	222,354
Earnings per unit	14				
Allocation of net income for the period					
Net income for the period after taxation		**498,119**	389,349	**240,961**	222,354
Income already paid on units redeemed		-	-	**-**	-
		498,119	389,349	**240,961**	222,354
Accounting income available for distribution					
- Relating to capital gains		**-**	-	**-**	-
- Excluding capital gains		**498,119**	389,349	**240,961**	222,354
		498,119	389,349	**240,961**	222,354

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)			
Net income for the period after taxation	**498,119**	389,349	**240,961**	222,354
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**498,119**	389,349	**240,961**	222,354

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

	Note	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)		**13,292,072**	**-**	**13,292,072**	8,243,147	-	8,243,147
Issuance of 714,445,743 units (2020: 1,476,699,432 units)							
- Capital value (at ex-net asset value per unit)		**7,144,457**	**-**	**7,144,457**	14,766,994	-	14,766,994
- Element of income		**-**	**-**	**-**	-	-	-
Total proceeds on issuance of units		**7,144,457**	**-**	**7,144,457**	14,766,994	-	14,766,994
Redemption of 837,331,566 units (2020: 878,747,355 units)							
- Capital value (at ex-net asset value per unit)		**(8,373,357)**	**-**	**(8,373,357)**	(8,787,501)	-	(8,787,501)
- Element of loss		**-**	**-**	**-**	-	-	-
Total payments on redemption of units		**(8,373,357)**	**-**	**(8,373,357)**	(8,787,501)	-	(8,787,501)
Total comprehensive income for the period		**-**	**498,119**	**498,119**	-	389,349	389,349
Total distribution during the period	16	**-**	**(498,119)**	**(498,119)**	-	(389,349)	(389,349)
Net income for the period less distribution		**-**	**-**	**-**	-	-	-
Net assets at the end of the period (un-audited)		**12,063,172**	**-**	**12,063,172**	14,222,640	-	14,222,640
Undistributed income brought forward							
- Realised income			**-**			-	
- Unrealised income			**-**			-	
			-			-	
Accounting income available for distribution							
- Relating to capital gains			**-**			-	
- Excluding capital gains			**498,119**			389,349	
			498,119			389,349	
Distribution for the period	16		**(498,119)**			(389,349)	
Undistributed income carried forward			**-**			-	
Undistributed income carried forward							
- Realised income			**-**			-	
- Unrealised income			**-**			-	
			-			-	
				(Rupees)			**(Rupees)**
Net asset value per unit at the beginning of the period				**10.0000**			10.0000
Net asset value per unit at the end of the period				**10.0000**			10.0000

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

	Note	Half year ended December 31, 2021	2020
		---------- (Rupees in '000) ---------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**498,119**	389,349
Adjustments:			
Income on corporate sukuk certificates		**(9,380)**	(14,546)
Income on term deposit receipts		**(30,528)**	(63,190)
Income on Islamic commercial papers		**(64,662)**	(61,281)
Income on bai muajjal certificate		**(24,898)**	(41,873)
Profit on bank balances		**(371,601)**	(249,706)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	9.1	**(22,404)**	7,946
Amortisation of preliminary expenses and floatation costs	6.1	**116**	119
		(523,357)	(422,531)
(Increase) in assets			
Investments - net		**(455,880)**	(63,731)
Prepayments, deposits and other receivables		**82**	174
		(455,798)	(63,557)
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		**(2,562)**	5,061
Payable to Central Depository Company of Pakistan Limited - the Trustee		**(191)**	459
Payable to the Securities and Exchange Commission of Pakistan		**(1,427)**	751
Accrued expenses and other liabilities		**(1,486)**	1,251
		(5,666)	7,522
Profit received on bank balances, corporate sukuk certificates, term deposit receipts, Islamic commercial papers and bai muajjal certificate		**492,632**	400,434
Net cash generated from operating activities		**5,930**	311,217
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		**7,144,457**	14,766,994
Net payment against redemption of units		**(8,372,357)**	(8,796,810)
Distributions paid		**(498,119)**	(389,349)
Net cash flows (used in) / generated from financing activities		**(1,726,019)**	5,580,835
Net (decrease) / increase in cash and cash equivalents during the period		**(1,720,089)**	5,892,052
Cash and cash equivalents at the beginning of the period		**11,531,064**	5,063,693
Cash and cash equivalents at the end of the period	12	**9,810,975**	10,955,745

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 Daily Dividend Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on September 23, 2019 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 23, 2019 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 19, 2019.

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

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

The Pakistan Credit Rating Agency (PACRA) has 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 AA(f) (2021: AA(f) on April 16, 2021) on October 18, 2021.

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

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.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
4	**BANK BALANCES**		--------- (Rupees in '000) ---------	
	Balances with banks in:			
	Savings accounts	4.1	6,910,591	11,412,546
	Current accounts		384	14,518
			6,910,975	11,427,064

4.1 These include a balance of Rs 0.407 million (June 30, 2021: Rs 0.133 million) and Rs. 0.240 million (June 30, 2021: Rs 2.550 million) maintained with National Bank of Pakistan and BankIslami Pakistan Limited, (related parties), that carries profit at the rates of 6.5% (June 30, 2021: 4.5%) per annum and 10.20% (June 30, 2021: 6.25%) per annum respectively. Other savings accounts carry profit rates ranging from 6.5% to 11.04% (June 30, 2021: 6.6% to 7.4%) per annum.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
5	**INVESTMENTS**		--------- (Rupees in '000) ---------	
	At fair value through profit or loss			
	Islamic commercial papers	5.1	1,579,805	1,723,925
	Corporate sukuk certificates	5.2	600,000	-
	Term deposit receipts	5.3	2,900,000	104,000
	Bai Muajjal certificate	5.4	-	-
			5,079,805	1,827,925

5.1 Islamic commercial papers

Name of security	Face value				Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of total investments of the Fund	Market value as a percentage of net assets of the Fund
	As at July 1, 2021	Purchased during the period	Matured during the period	As at December 31, 2021					
	---------- (Rupees in '000) ----------							---------- % ----------	
Power generation & distribution									
K-Electric Limited ICP-15 (A1+, PACRA)	675,000	1,780,000	2,455,000	-	-	-	-	-	-
K-Electric Limited ICP-16 (A1+, PACRA)	600,000	1,125,000	1,725,000	-	-	-	-	-	-
K-Electric Limited ICP-18 (A-1+, VIS)	480,000	960,000	1,440,000	-	-	-	-	-	-
K-Electric Limited ICP-19 (A-1+, VIS)	-	720,000	480,000	240,000	239,436	239,436	-	4.71%	1.98%
K-Electric Limited ICP-20 (A-1+, VIS)	-	150,000	-	150,000	149,173	149,173	-	2.94%	1.24%
K-Electric Limited ICP-22 (AA, PACRA)	-	500,000	-	500,000	489,209	489,209	-	9.63%	4.06%
K-Electric Limited ICP-23 (A-1+, VIS)	-	425,000	-	425,000	412,124	412,124	-	8.11%	3.42%
K-Electric Limited ICP-24 (A-1+, VIS)	-	300,000	-	300,000	289,863	289,863	-	5.71%	2.40%
Total as at December 31, 2021 (un-audited)					1,579,805	1,579,805	-	31.10%	13.10%
Total as at June 30, 2021 (audited)					1,723,925	1,723,925	-	94.31%	12.97%

5.1.1 These carry profit rates ranging from 8.05% to 9.57% per annum and are due to mature latest by May 16, 2022.

5.2 Corporate sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2021	Purchased during the period	Redeemed during the period	As at Dec 31, 2021	Carrying value as at December 31, 2021	Market value as at December 31, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of	
											total investments of the Fund	net assets of the Fund
				---------- Number of certificates----------				---------- (Rupees in '000) ----------			---------- % ----------	
Power generation & distribution												
The Hub Power Company Limited Sukuk (AA+, PACRA) (Face value of Rs 100,000 per certificate)	At maturity	May 02, 2022	6 months KIBOR plus base rate of 0.8%	-	6,000	-	6,000	600,000	600,000	-	11.81%	4.97%
Total as at December 31, 2021 (un-audited)								600,000	600,000	-	11.81%	4.97%
Total as at June 30, 2021 (audited)								-	-	-	-	-

5.3 Term deposit receipts

Name of Investee Company	Maturity date	Profit rate	Face value				Carrying value as at December 31, 2021	Market value 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			total investments of the Fund	net assets of the Fund
			---------- (Rupees in '000) ----------						---------- % ----------	
Commercial banks										
United Bank Limited - Islamic Banking	July 3, 2021	6.90%	104,000	-	104,000	-	-	-	-	-
United Bank Limited - Islamic Banking	August 27, 2021	6.85%	-	1,200,000	1,200,000	-	-	-	-	-
United Bank Limited - Islamic Banking	August 30, 2021	6.85%	-	700,000	700,000	-	-	-	-	-
United Bank Limited - Islamic Banking	September 3, 2021	6.85%	-	1,900,000	1,900,000	-	-	-	-	-
United Bank Limited - Islamic Banking	September 10, 2021	6.85%	-	1,900,000	1,900,000	-	-	-	-	-
Askari Bank Limited - Islamic Banking	December 9, 2021	7.75%	-	1,600,000	1,600,000	-	-	-	-	-
Askari Bank Limited - Islamic Banking	December 16, 2021	9.25%	-	1,600,000	1,600,000	-	-	-	-	-
United Bank Limited - Islamic Banking	January 28, 2022	11.00%	-	1,200,000	-	1,200,000	1,200,000	1,200,000	23.62%	9.95%
Askari Bank Limited - Islamic Banking	February 14, 2022	10.75%	-	300,000	-	300,000	300,000	300,000	5.91%	2.49%
Faysal Bank Limited - Islamic Banking	March 30, 2022	11.20%	-	1,400,000	-	1,400,000	1,400,000	1,400,000	27.56%	11.61%
Total as at December 31, 2021 (un-audited)							2,900,000	2,900,000	57.09%	24.05%
Total as at June 30, 2021 (audited)							104,000	104,000	5.69%	0.78%

5.4 **Bai Muajjal certificate**

Name of investee companies	Rating	Maturity date	Profit rate	Total Transaction Price	Deferred Income	Accrued Profit	Carrying value
				(Rupees in '000)			
Development finance institutions							
Pak Oman Investment Company Limited	AA+, VIS	December 1, 2021	7.35%	714,047	-	-	-
Commercial banks							
Samba Bank Limited	AA, VIS	September 28, 2021	7.10%	992,028	-	-	-
Samba Bank Limited	AA, VIS	December 1, 2021	7.35%	714,671	-	-	-
Total as at December 31, 2021 (un-audited)				2,420,746	-	-	-
Total as at June 30, 2021 (audited)				-	-		

6 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
At the beginning of the period / year		788	1,024
Less: amortisation during the period / year	6.1	(116)	(236)
At the end of the period / year		672	788

6.1 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.

7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
Remuneration payable to the Management Company	7.1	1,040	1,130
Sindh sales tax payable on remuneration of the Management Company	7.2	135	147
Reimbursement of allocated expenses payable	7.3	3,872	4,864
Reimbursement of selling and marketing expenses payable	7.4	620	-
Sales load payable to the Management company		177	2,039
Sindh sales tax payable on sales load		23	265
ADC charges payable including Sindh sales tax		28	12
		5,895	8,457

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% (June 30, 2021: 1%) on net income, subject to floor and capping of 0.1% and 1% (June 30, 2021: 0.1% and 1%) per annum of the average net assets of the Fund during the period ended December 31, 2021. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 0.889 million (December 31, 2020: Rs. 0.807 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 July 25, 2021	Rate applicable from July 26, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to March 29, 2021	Rate applicable from March 30, 2021 to June 30, 2021
0% of average annual net assets	0.02% of average annual net assets	0.2% per annum of average daily net assets	0% per annum of average daily net assets

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			--------- (Rupees in '000) ---------	
8	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**			
	Annual fee payable	8.1	1,322	2,749

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
			--------- (Rupees in '000) ---------	
9	**ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Provision for Sindh Workers' Welfare Fund	9.1	-	22,404
	Auditors' remuneration payable		359	445
	Shariah advisory fee payable		905	1,762
	Legal fee payable		145	144
	Withholding tax payable		3,451	5,415
	Payable against printing charges		32	112
	Bank and settlement charges payable		23	82
	Other payable		1,559	-
			6,474	30,364

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. 22.404 million recognised in these condensed interim financial statements of the Fund, for the period from October 17, 2019 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 CASH AND CASH EQUIVALENTS

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		--------- (Rupees in '000) ---------	
Bank balances	4	6,910,975	11,427,064
Term deposit receipts	5.3	2,900,000	104,000
		9,810,975	11,531,064

13 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.

14 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.

15 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 0.38% (December 31, 2020: 0.67%) which includes 0.04% (December 31, 2020: 0.17%) representing government levies such as sales tax and annual fee to the SECP. The prescribed limit for the ratio is 2% (December 31, 2020: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a Shariah compliant money market scheme.

16 INTERIM DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of the Trust Deed and clause 1.4 of the Offering Document and re-invests the distributed dividend as per clause 1.4 of the Offering Document. During the period, the Management Company on behalf of the Fund, has distributed the total profit earned during the period amounting to Rs 498.119 million as dividend after deducting applicable taxes and the same has been re-invested.

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

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
September 20, 2021	0.0019	October 25, 2021	0.0018	November 29, 2021	0.0022
September 21, 2021	0.0020	October 26, 2021	0.0019	November 30, 2021	0.0022
September 22, 2021	0.0020	October 27, 2021	0.0018	December 1, 2021	0.0022
September 23, 2021	0.0019	October 28, 2021	0.0018	December 2, 2021	0.0023
September 24, 2021	0.0020	October 29, 2021	0.0019	December 3, 2021	0.0023
September 25, 2021	0.0019	October 30, 2021	0.0018	December 4, 2021	0.0021
September 26, 2021	0.0020	October 31, 2021	0.0018	December 5, 2021	0.0022
September 27, 2021	0.0020	November 1, 2021	0.0019	December 6, 2021	0.0023
September 28, 2021	0.0020	November 2, 2021	0.0019	December 7, 2021	0.0023
September 29, 2021	0.0019	November 3, 2021	0.0019	December 8, 2021	0.0023
September 30, 2021	0.0020	November 4, 2021	0.0019	December 9, 2021	0.0023
October 1, 2021	0.0020	November 5, 2021	0.0019	December 10, 2021	0.0024
October 2, 2021	0.0020	November 6, 2021	0.0019	December 11, 2021	0.0023
October 3, 2021	0.0019	November 7, 2021	0.0019	December 12, 2021	0.0023
October 4, 2021	0.0021	November 8, 2021	0.0019	December 13, 2021	0.0024
October 5, 2021	0.0020	November 9, 2021	0.0020	December 14, 2021	0.0024
October 6, 2021	0.0020	November 10, 2021	0.0019	December 15, 2021	0.0024
October 7, 2021	0.0020	November 11, 2021	0.0020	December 16, 2021	0.0026
October 8, 2021	0.0018	November 12, 2021	0.0019	December 17, 2021	0.0026
October 9, 2021	0.0018	November 13, 2021	0.0019	December 18, 2021	0.0025
October 10, 2021	0.0019	November 14, 2021	0.0019	December 19, 2021	0.0025
October 11, 2021	0.0019	November 15, 2021	0.0020	December 20, 2021	0.0028
October 12, 2021	0.0018	November 16, 2021	0.0019	December 21, 2021	0.0028
October 13, 2021	0.0018	November 17, 2021	0.0020	December 22, 2021	0.0028
October 14, 2021	0.0019	November 18, 2021	0.0019	December 23, 2021	0.0028
October 15, 2021	0.0019	November 19, 2021	0.0020	December 24, 2021	0.0028
October 16, 2021	0.0018	November 20, 2021	0.0019	December 25, 2021	0.0028
October 17, 2021	0.0019	November 21, 2021	0.0019	December 26, 2021	0.0028
October 18, 2021	0.0018	November 22, 2021	0.0022	December 27, 2021	0.0028
October 19, 2021	0.0019	November 23, 2021	0.0021	December 28, 2021	0.0028
October 20, 2021	0.0018	November 24, 2021	0.0022	December 29, 2021	0.0028
October 21, 2021	0.0019	November 25, 2021	0.0022	December 30, 2021	0.0028
October 22, 2021	0.0018	November 26, 2021	0.0022	December 31, 2021	0.0028
October 23, 2021	0.0018	November 27, 2021	0.0021		
October 24, 2021	0.0019	November 28, 2021	0.0022		

17 TRANSACTIONS 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 (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.

17.2 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.

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

17.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

17.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

17.6 The 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)	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	6,835	6,211
Sindh sales tax on remuneration of the Management Company	889	807
Reimbursement of allocated expenses	8,264	6,885
Reimbursement of selling and marketing expenses	1,129	12,421
Sales and transfer load	232	431
Sindh sales tax on sales and transfer load	30	56
ADC charges including Sindh sales tax	16	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	3,988	4,037
Sindh sales tax on remuneration of the Trustee	518	525
Key management personnel of the Management Company		
Dividend re-invest units issued - 6,071 units (2020: 1,256 units)	61	13
Units issued - 1,106,047 units (2020: 9,413 units)	11,060	94
Units redeemed - 462,067 units (2020: 75,933 units)	4,621	759
National Bank of Pakistan - Parent of the Mangement Company		
Profit on bank balances***	-	1
Baltoro Partners (Private) Limited - sponsor		
Dividend re-invest units issued - 2,035 (2020: 2,110) units	20	21
Units redeemed - 82,800 units (2020: Nil)	828	-
The Hub Power Company Limited - common directorship*		
Redemption of sukuk certificates	-	163,000
Purchase of sukuk certificates	-	419,000
Income from sukuk certificates	-	10,606
NBP Islamic Money Market Fund		
Purchase of commercial paper (K-Electric Limited)	-	240,174
Pakistan Stock Exchange Limited - common directorship*		
Listing fee paid	-	25
NAFA Islamic Capital Preservation Plan - I		
Dividend re-invest units issued - 60,743 units (2020: Nil)	607	-
Units issued / transferred in - 2,971,200 units (2020: Nil)	29,712	-
NAFA Islamic Capital Preservation Plan - II		
Dividend re-invest units issued - 34,923 units (2020: Nil)	349	-
Units issued / transferred in - 2,449,200 units (2020: Nil)	24,492	-
Units redeemed / transferred out - 2,220,000 units (2020: Nil)	22,200	-

	(Un-audited)	
	Half year ended December 31,	
	2021	2020
	(Rupees in '000)	
NAFA Islamic Capital Preservation Plan - III		
Dividend re-invest units issued - 46,751 units (2020: Nil)	468	-
Units issued / transferred in - 2,286,800 units (2020: Nil)	22,868	-
NAFA Islamic Capital Preservation Plan - IV		
Dividend re-invest units issued - 45,778 units (2020: 253,386 units)	458	2,534
Units issued / transferred in - 2,239,200 units (2020: 13,250,000 units)	22,392	132,500
Units redeemed / transferred out - Nil (2020: 7,800,000 units)	-	78,000
NBP Islamic Capital Preservation Plan - V		
Dividend re-invest units issued - 50,711 units (2020: 182,123 units)	507	1,821
Units issued / transferred in - 2,480,500 units (2020: 7,950,000 units)	24,805	79,500
Units redeemed / transferred out - Nil (2020: 2,500,000 units)	-	25,000
Portfolio managed by the Management Company		
Dividend re-invest units issued - 1,027,414 units (2020: 267,857 units)	10,274	2,679
Units issued / transferred in - 51,583,482 units (2020: 12,000,000 units)	515,835	120,000
Units redeemed / transferred out - 21,757,837 units (2020: 10,623,495 units)	217,578	106,235
Pakistan Defence Officers Housing Authority - unit holders with more than 10% holding**		
Dividend re-invest units issued - 8,295,045 units (2020: Nil)	82,950	-
Hamdard Laboratories (Waqf) Pakistan - unit holders with more than 10% holding**		
Dividend re-invest units issued - 3,927,302 units (2020: Nil)	39,273	-
Units issued / transferred in - 116,693,794 units (2020: Nil)	1,166,938	-

* 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.

** Prior period comparatives have not been shown as the person was not a related party / connected person as at December 31, 2020.

*** Nil due to rounding off

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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	1,040	1,130
Sindh sales tax on remuneration of the Management Company	135	147
Reimbursement of allocated expenses payable	3,872	4,864
Reimbursement of selling and marketing expenses payable	620	-
Sales load payable to Management Company	177	2,039
Sindh sales tax payable on sales load	23	265
ADC charges payable including Sindh sales tax	28	12

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	--------- (Rupees in '000) ---------	
Central Depository Company of Pakistan Limited - the Trustee		
Trustee remuneration payable	565	734
Sindh sales tax payable on remuneration of the Trustee	73	95
Settlement charges	11	-
Security deposit	100	100
Key management personnel of the Management Company		
Units outstanding - 1,085,694 units (June 30, 2021: 435,643 units)	10,857	4,356
Baltoro Partners (Private) Limited - common directorship		
Units outstanding - 357 units (June 30, 2021: 81,122 units)	4	811
Feroze1888 Mills Limited - unit holder with more than 10% holding*		
Units outstanding - Nil (June 31, 2021: 185,299,094 units)	-	1,852,991
Pakistan Defence Officers Housing Authority - unit holders with more than 10% holding		
Units outstanding - 260,810,578 units (June 30, 2021: 252,515,533 units)	2,608,106	2,525,155
Hamdard Laboratories (Waqf) Pakistan - unit holders with more than 10% holding**		
Units outstanding - 128,124,731 units (June 30, 2021: Nil)	1,281,247	-
National Bank of Pakistan - Parent of the Mangement Company		
Bank balance	407	133
Profit receivable***	-	-
BankIslami Pakistan Limited - common directorship		
Bank balance	240	2,550
NAFA Islamic Capital Preservation Plan - I		
Units outstanding - 3,031,943 units (June 30, 2021: Nil)	30,319	-
NAFA Islamic Capital Preservation Plan - II		
Units outstanding - 264,123 units (June 30, 2021: Nil)	2,641	-
NAFA Islamic Capital Preservation Plan - III		
Units outstanding - 2,333,551 units (June 30, 2021: Nil)	23,336	-
NAFA Islamic Capital Preservation Plan - IV		
Units outstanding - 2,284,978 units (June 30, 2021: Nil)	22,850	-
NBP Islamic Capital Preservation Plan - V		
Units outstanding - 2,531,211 units (June 30, 2021: Nil)	25,312	-
Portfolio managed by the Management Company		
Units outstanding - 46,708,904 units (June 30, 2021: 15,855,845)	467,089	158,558

* 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.

** Prior period comparatives have not been shown as the company was not a related party / connected person as at June 30, 2021.

*** Nil due to rounding off

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

18 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.

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.

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;

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				
Islamic commercial papers*	-	1,579,805	-	1,579,805
Corporate sukuk certificates**	-	600,000	-	600,000
Term deposit receipts**	-	2,900,000	-	2,900,000
Bai Muajjal certificate	-	-	-	-
	-	5,079,805	-	5,079,805

	Audited			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss				
Islamic commercial papers*	-	1,723,925	-	1,723,925
Corporate sukuk certificates**	-	-	-	-
Term deposit receipts**	-	104,000	-	104,000
Bai Muajjal certificate	-	-	-	-
	-	1,827,925	-	1,827,925

* The valuation of Islamic 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.

** The carrying value of these securities approximate their fair values since these are short term in nature and are placed with counter parties which have high credit ratings.

19 GENERAL

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

19.2 Corresponding figures have been re-classified and re-arranged in these condensed 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 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
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد

NBP ISLAMIC SARMAYA IZAFA FUND

HALF YEARLY REPORT

DECEMBER 31, 2021

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Rated by PACRA

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

Habib Bank Limited (Islamic)
United Bank Limited (Ameen)
Bank Al Habib Limited (Islamic)
Meezan Bank Limited
Bank Islami (Pakistan) Limited
Sindh Bank Limited (Saadat)
MCB Bank Limited (Islamic)
Dubai Islamic Bank Limited
Bank Alfalah Limited (Islamic)
Soneri Bank Limited (Mustaqeem)
Habib Metro Bank Limited (Islamic)
Allied Bank Limited (Islamic)
Silk Bank Limited (Emaan)
National Bank of Pakistan
JS Bank Limited
Al Baraka Bank Pakistan Limited

Auditors

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

Legal Advisor

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

Head Office:

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Scheme No. 5, Clifton Karachi.
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Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

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Muslim Town, Lahore.
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1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
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Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Sarmaya Izafa Fund** (NISIF) 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, 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.

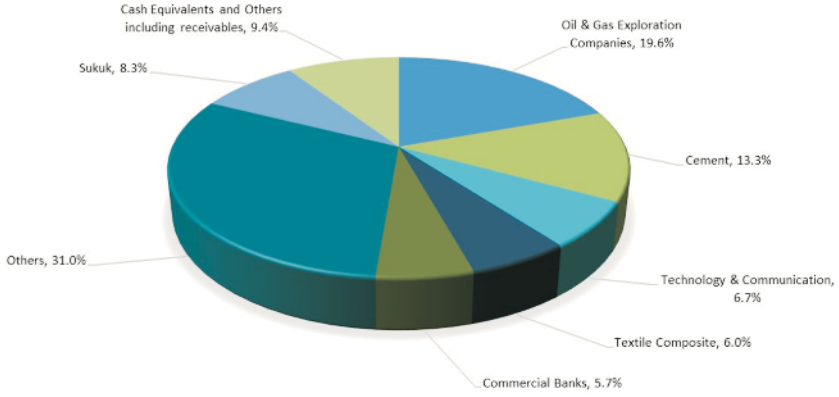
Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, 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 9.80%, 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.

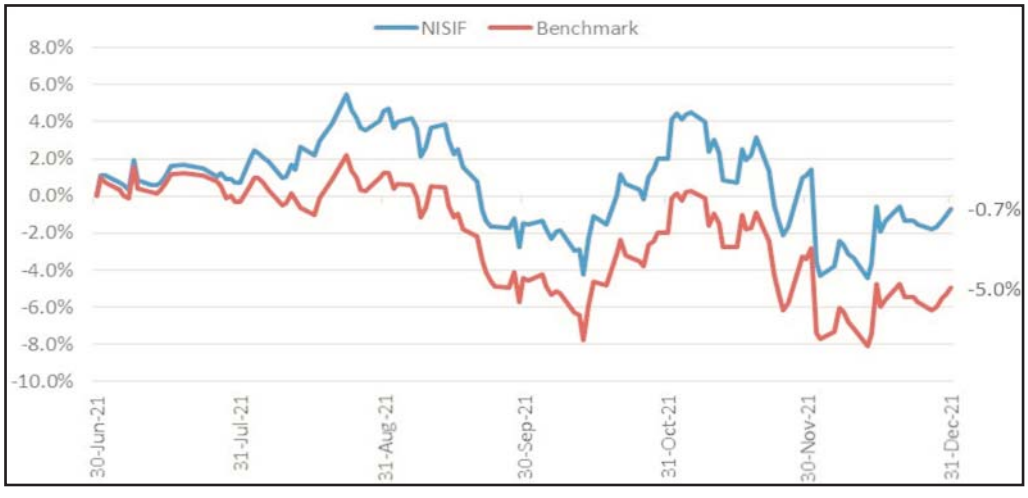
The size of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 5,611 million to Rs. 4,607 million during the period, i.e., a decrease of 18%. During the period, the unit price of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 16.7187 on June 30, 2021 to Rs. 16.6005 on December 31, 2021, thus showing a decrease of 0.7%. The Benchmark decrease during the same period was 5.0%. Thus, the Fund has outperformed its Benchmark by 4.3% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.5318 (Ex-Div) on October 26, 2007 to Rs. 16.6005 on December 31, 2021, thus showing an increase of 370.0%. During the said period, the Benchmark increased by 209.8%, translating into outperformance of 160.2%. 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 no to be repeated in the future.

The Fund has earned a total income of Rs. 83.709 million during the period. After deducting total expenses of Rs. 101.894 million, the net loss is Rs. 18.185 million. The asset allocation of NISIF as on December 31, 2021 is as follows:



NISIF 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 بصد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) 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 گردشی اتار چڑھاؤ رہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بینچ مارک KMI-30 انڈیکس میں تقریباً 4,934 پوائنٹس کی کمی ہوئی، جس سے زیرِ جائزہ مدت کے دوران 6.4 فیصد کی 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 جا سکتا ہے۔ اگرچہ سال کے دوران معاشی نمو مزید تیز ہوگئی، 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 نمو کے باوجود، 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۔ ماہانہ افراط زر کی شرح میں بھی اضافہ ہوتا رہا اور زیرِ 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 تعطل کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI ایمرجنگ مارکیٹ سے MSCI فرنٹیئر 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 کے 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 اسپیشل 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 پیکج 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 سیکٹر وائز کارکردگی کے پیشِ نظر، آٹو موبائل اسمبلرز، کیمیکلز، کمرشل بینکس، کھادیں، خوراک اور ذاتی نگہداشت، گلاس اینڈ سرامکس، تیل وگیس ایکسپلوریشن، بجلی پیدا اور تقسیم کرنے، اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور اسیسریز، کیبل اور الیکٹرک کا سامان، سیمنٹ، انجینئرنگ، انشورنس، تیل وگیس مارکیٹنگ، کاغذ اور بورڈ، دواسازی، ریفائنریز، ٹیکنالوجی اور کمیونیکیشن، اور وینا سپتی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیرِ 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۔

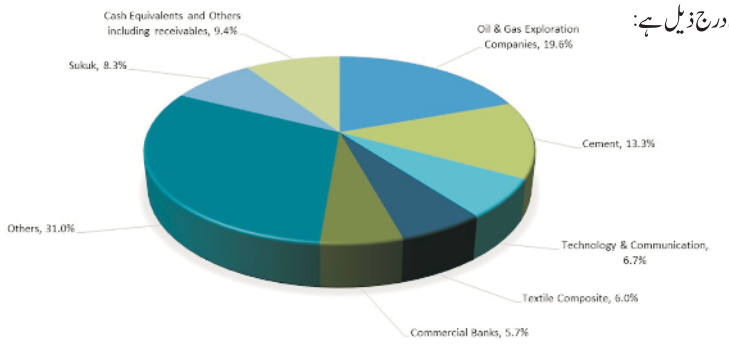
مارکیٹ نے پرائمری مارکیٹ میں مختصر مدتی ڈیبٹ سیکورٹیز اور کمرشل پیپرز کے اجراء میں نمایاں اضافہ دیکھا، اگرچہ بڑھتی ہوئی زیادہ طلب کے مقابلے اس کی رسد کم رہی ہے۔ زیرِ جائزہ مدت کے دوران کارپوریٹ ڈیبٹ سیکیورٹیز میں تجارتی سرگرمی ابتر رہی جس کے تحت مالیاتی سال 2021ء کی پہلی ششماہی میں مجموعی تجارتی ویلیو 5.6 بلین روپے رہی جبکہ گزشتہ سال کی اسی مدت میں 14.7 بلین روپے تھی۔ 1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراطِ زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراطِ زر عالمی قیمتیں اور مقامی طلب نمو 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 افراطِ 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۔

NBP اسلامک سرمایہ اضافہ فنڈ کا سائز اس مدت میں 5,611 ملین روپے سے کم ہو کر 4,607 ملین روپے ہوگیا، یعنی 18% کی کمی ہوئی۔ اس مدت کے دوران، NBP اسلامک سرمایہ اضافہ فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 16.7187 روپے سے کم ہو کر 31 دسمبر 2021 کو 16.6005 روپے ہوگئی، لہٰذا 0.7% کی کمی ظاہر کی گئی۔ اسی مدت کے دوران بنچ مارک کم ہو کر 5.0% ہوگیا تھا۔ لہٰذا فنڈ کی کارکردگی زیرِ جائزہ مدت کے دوران اپنے بنچ مارک سے 4.3% بہتر رہی۔ اپنے قیام کے بعد 26 اکتوبر 2007 سے فنڈ کا NAV 3.5318 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 16.6005 روپے ہوگئی، یعنی 370.0% کا اضافہ ہوا۔ اس مدت کے دوران بنچ مارک 209.8% سے بڑھا۔ لہٰذا فنڈ نے 160.2% کی بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور

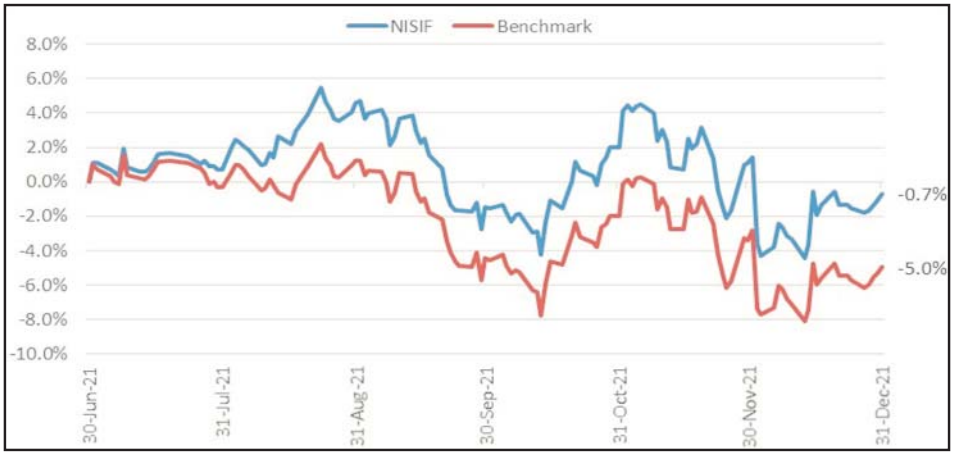
دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویژننگ ریورس کر دی گئی۔ اس پرویژن کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NBP اسلامک سرمایہ اضافہ فنڈ کو اس مدت کے دوران 83.709 ملین روپے کی آمدنی ہوئی۔ 101.894 ملین روپے کے اخراجات منہا کرنے کے بعد خالص نقصان 18.185 ملین روپے ہے۔

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



NISIF کی کارکردگی بمقابلہ بینچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے 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 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 مینجمنٹ لمیٹڈ

چیف ایگزیکٹو **ڈائریکٹر**

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 Sarmaya Izafa 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 Sarmaya Izafa 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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		---------- Rupees in '000 ---------	
ASSETS			
Bank balances	5	**485,862**	673,761
Investments	6	**4,174,164**	5,131,729
Accrued profit and dividend receivable	7	**12,237**	16,207
Receivable against transfer of units		**8,954**	4,569
Receivable against sale of investments		**1,455**	-
Deposits, prepayments and other receivables	8	**6,300**	38,907
Total assets		**4,688,972**	5,865,173
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	9	**51,042**	83,529
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	**533**	633
Payable to the Securities and Exchange Commission of Pakistan	11	**518**	1,166
Payable against redemption of units		**680**	21,117
Payable against purchase of investment			3,120
Accrued expenses and other liabilities	12	**29,071**	144,192
Total liabilities		**81,844**	253,757
NET ASSETS		**4,607,128**	5,611,416
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**4,607,128**	5,611,416
CONTIGENCIES AND COMMITMENTS	13		
		----------Number of units---------	
NUMBER OF UNITS IN ISSUE		**277,529,613**	335,637,170
		----------Rupees----------	
NET ASSET VALUE PER UNIT		**16.6005**	16.7187

The annexed notes from 1 to 21 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

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
		---------- Rupees in '000 ----------			
INCOME					
Return / income on:					
-bank balances		**18,855**	29,632	**10,041**	16,513
-sukuks		**21,032**	81,109	**9,447**	39,689
Dividend income		**143,894**	63,886	**86,379**	51,494
(loss)/gain on investments - net		**(22,838)**	108,634	**(22,685)**	8,472
Net unrealised (loss)/gain on re-measurement of investments at fair value through profit or loss		**(167,178)**	600,728	**11,577**	195,031
Total (loss) / income		**(6,235)**	883,989	**94,759**	311,199
EXPENSES					
Remuneration of NBP Fund Management Company Limited - Management Company	9.1	**38,864**	43,082	**18,226**	21,699
Sindh sales tax on remuneration of the Management Company	9.2	**5,052**	5,601	**2,369**	2,821
Reimbursement of operational expenses to the Management Company	9.3	**4,989**	3,391	**2,430**	1,965
Reimbursement of selling and marketing expenses	9.4	**46,231**	43,082	**21,870**	21,699
Remuneration of Central Depository Company of Pakistan Limited ' - Trustee	10.1	**3,095**	3,376	**1,467**	1,698
Sindh sales tax on remuneration of the Trustee		**402**	439	**190**	221
Annual fee to the Securities and Exchange Commission of Pakistan	11	**518**	574	**243**	289
Securities transaction cost		**1,312**	1,571	**681**	305
Settlement and bank charges		**278**	351	**126**	33
Auditors' remuneration		**372**	416	**257**	409
Fund rating fee		**135**	124	**65**	9
Legal and professional charges		**243**	62	**215**	-
Annual listing fee		**14**	14	**7**	10
Printing charges		**24**	268	**20**	-
Shariah advisor fee		**365**	535	**97**	507
Total expenses		**101,894**	102,886	**48,263**	51,665
Net (loss) / income from operating activities		**(108,129)**	781,103	**46,496**	259,534
(Reversal)/provision for Sindh Workers' Welfare Fund		**89,944**	(15,622)	**-**	(5,191)
Net (loss) / income for the period before taxation		**(18,185)**	765,481	**46,496**	254,343
Taxation	14	**-**	-	**-**	-
Net (loss) / income for the period after taxation		**(18,185)**	765,481	**46,496**	254,343
Allocation of net income for the period					
Net income for the period after taxation		**-**	765,481		
Income already paid on units redeemed		**-**	(113,787)		
		-	651,694		
Accounting income available for distribution:					
Relating to capital gain		**-**	598,931		
Excluding capital gain		**-**	52,763		
		-	651,694		

The annexed notes from 1 to 21 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		Quarter ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
	Rupees in '000			
Net (loss) / income for the period after taxation	**(18,185)**	765,481	**46,496**	254,343
Other comprehensive income	**-**	-	**-**	-
Total comprehensive (loss) / income for the period	**(18,185)**	765,481	**46,496**	254,343

The annexed notes from 1 to 21 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			2020		
	(Rupees in '000)					
	Capital value	**Undistributed income/(loss)**	**Total**	Capital value	Undistributed income/(loss)	Total
Net assets at beginning of the period	**5,536,909**	**74,507**	**5,611,416**	5,544,770	(500,800)	5,043,970
Issue of 46,339,123 units (2020: 134,072,636)						
- Capital value	**774,730**	**-**	**774,730**	1,901,842	-	1,901,842
- Element of income / (loss)	**5,428**	**-**	**5,428**	197,521	-	197,521
Total proceeds on issue of units	**780,158**	**-**	**780,158**	2,099,363	-	2,099,363
Redemption of 104,446,680 units (2020: 126,693,545)						
- Capital value	**(1,746,213)**	**-**	**(1,746,213)**	(1,797,161)	-	(1,797,161)
- Element of income / (loss)	**(20,048)**	**-**	**(20,048)**	(68,840)	(113,787)	(182,627)
Total payments on redemption of units	**(1,766,261)**	**-**	**(1,766,261)**	(1,866,001)	(113,787)	(1,979,788)
Total comprehensive (loss) / income for the period	**-**	**(18,185)**	**(18,185)**	-	765,481	765,481
Net assets at end of the period	**4,550,806**	**56,322**	**4,607,128**	5,778,132	150,894	5,929,026
Undistributed income brought forward (June 30, 2021 and June 30, 2020)						
- Realised		**(718,426)**			(570,849)	
- Unrealised		**792,933**			70,049	
		74,507			(500,800)	
Accounting income available for distribution:						
- Relating to capital gains		**-**			598,931	
- Excluding capital gains		**-**			52,763	
(loss) / income for the year after taxation		**(18,185)**			651,694	
Undistributed income carried forward						
- Realised		**223,500**			(449,834)	
- Unrealised (loss) /income		**(167,178)**			600,728	
		56,322			150,894	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			**16.7187**			14.1851
Net assets value per unit at end of the period			**16.6005**			16.3351

The annexed notes from 1 to 21 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

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period before taxation		**(18,185)**	765,481
Adjustments for non-cash items			
at fair value through profit or loss		167,178	(600,728)
		148,993	164,753
Working Capital Changes			
(Increase) / decrease in assets			
Receivable against transfer of units		**(4,385)**	(3,384)
Investments - net		**790,387**	736,347
Receivable against sale of investment		**(1,455)**	798
Accrued profit and dividend receivable		**3,970**	66,265
Deposits, prepayments and other receivables		**32,607**	(63,777)
		821,124	736,249
(Decrease) / increase in liabilities			
Payable to the Management Company		**(32,487)**	13,726
Payable to Central Depository Company of Pakistan Limited - Trustee		**(100)**	90
Payable to the Securities and Exchange Commission of Pakistan		**(648)**	(495)
Payable against purchase of investments		**(3,120)**	832,988
Payable against redemption of units		**(20,437)**	(6,439)
Accrued expenses and other liabilities		**(115,121)**	(26,296)
		(171,913)	813,574
Net cash generated from operating activities		**798,204**	1,714,576
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issuance of units - net		**780,158**	2,099,363
Amounts paid on redemption of units - net		**(1,766,261)**	(1,979,788)
Net cash used in financing activities		**(986,103)**	119,575
Net (decrease) / increase in cash and cash equivalents during the period		**(187,899)**	1,834,151
Cash and cash equivalents at the beginning of the period		**673,761**	622,432
Cash and cash equivalents at the end of the period	5	**485,862**	2,456,583

The annexed notes from 1 to 21 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 Sarmaya Izafa Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on February 19, 2019 for the change of name and categorization of the Fund as a shariah compliant asset allocation scheme.

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.

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

The Fund is an open-ended mutual fund and categorized as an Islamic Asset Allocation Scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company on June 23, 2021, and has assigned performance ranking of 3-star to the Fund on Feb 04, 2022.

2. SUMMARY OF SIGNIFICANT EVENTS AND TRANSCATIONS

Except for the transactions mentioned in note 18, there were no significant events and transactions that have affected the Fund's financial position and performance.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements has been prepared, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 ; and

- The requirements of the Trust Deed , the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

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.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2021.

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 gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

4. Standards, Amendments And Interpretations To Approved Accounting Standards

Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the current period

The Fund has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

New or Revised Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
IFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021'	April 1, 2021

Adoption of the above standards have no effect on the amounts for the period ended December 31, 2021

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.

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
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

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	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 periods	IASB Effective Date "(Annual beginning on or after)"
IFRS 17 'Insurance Contracts'	January 1, 2023

		Note	December 31, 2021	June 30, 2021
			----------Rupees in '000----------	
5.	**BANK BALANCES**			
	Current accounts	5.1	**23,076**	33,052
	Savings accounts	5.2 & 5.3	**462,786**	640,709
			485,862	673,761

5.1 These include bank balances of Rs. 0.796 million (June 30, 2021: Rs. 8.318 million), maintained with National Bank of Pakistan (related party).

5.2 These savings accounts carry mark-up at rates ranging from 8.25% to 11.25% per annum (June 30, 2021: 2.4% to 7.5% per annum).

5.3 These include a bank balances of Rs. 154.445 million and Rs. 45.873 (June 30, 2021: Rs. 150.209 million and Rs. 23.082 million), which are maintained with National Bank of Pakistan and Bank Islami Pakistan, (related parties), and all parties carry mark-up at the rate of 9.55% and 10.20% (June 30, 2021: 6.8% and NIL) per annum respectively.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			----------Rupees in '000----------	
6	**INVESTMENTS**			
	Financial assets at fair value through profit or loss			
	Listed equity securities	6.1	**3,792,439**	4,531,878
	Sukuks	6.2	**381,725**	599,851
			4,174,164	5,131,729

6.1 Listed equity securities

Name of the investee company	As at July 01, 2021	Acquired 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 net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	Number of shares					Rupees in '000		%	
All shares have a nominal face value of Rs. 10 each except for shares of Thal limited and Synthetic Products Limited Limited. which have a face value of Rs. 5.									
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	104,680	-	-	-	104,680	32,870	**0.71**	0.79	0.11
Pakistan State Oil Company Limited (6.1.1) & (6.1.2)	585,071	-	-	24,300	560,771	101,999	**2.21**	2.44	0.12
Hascol Petroleum Limited (Refer 6.1.2)	3,424	-	-	-	3,424	21	**-**	0.00	-
Sui Northern Gas Pipelines Limited	623,000	-	-	176,307	446,693	14,942	**0.32**	0.36	0.07
	1,316,175	**-**	**-**	**200,607**	**1,115,568**	**149,832**	**3.24**	**3.59**	
OIL AND GAS EXPLORATION COMPANIES									
Oil and Gas Development Company Limited	3,147,000	137,000	-	134,500	3,149,500	271,487	**5.89**	6.50	0.07
Pakistan Oilfields Limited (6.1.1)	166,332	4,660	-	21,300	149,692	53,533	**1.16**	1.28	0.05
Pakistan Petroleum Limited (6.1.1)	3,107,069	9,600	-	248,500	2,868,169	226,700	**4.92**	5.43	0.11
Mari Petroleum Company Limited	215,185	-	-	4,060	211,125	349,249	**7.58**	8.37	0.16
	6,635,586	**151,260**	**-**	**408,360**	**6,378,486**	**900,969**	**19.55**	**21.58**	
CHEMICALS									
Dynea Pakistan Limited	2,500	-	-	-	2,500	539	**0.01**	0.01	0.03
ICI Pakistan Limited	46,000	-	-	4,250	41,750	31,765	**0.69**	0.76	0.05
Descon Oxychem Limited	260,000	-	-	260,000	-	-	**-**	-	-
Engro Polymer & Chemicals Limited	3,197,000	-	-	693,500	2,503,500	135,715	**2.95**	3.25	0.28
Lotte Chemical Pakistan Limited	-	325,000	-	-	325,000	4,440	**0.10**	0.11	0.02
	3,505,500	**325,000**	**-**	**957,750**	**2,872,750**	**172,459**	**3.75**	**4.13**	
PAPERS AND BOARD									
Roshan Packages Limited	199,500	-	-	-	199,500	3,908	**0.08**	0.09	0.14
	199,500	**-**	**-**	**-**	**199,500**	**3,908**	**0.08**	**0.09**	
FOOD AND PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited (Refer 6.1.2)	705,312	-	-	693,524	11,788	159	**-**	0.00	0.01
Unity Foods	743,074			743,074	-	-	**-**	-	-
	1,448,386	**-**	**-**	**1,436,598**	**11,788**	**159**	**-**	**0.00**	
ENGINEERING									
International Steels Limited	162,120	-	-	162,120	-	-	**-**	-	-
International Industries Limited	99,300	-	-	18,900	80,400	11,160	**0.24**	0.27	0.06
Agha Steel Limited	1,695,500	-	7,300	1,702,800	-	-	**-**	-	-
Mughal Iron And Steel Industries Limited	1,449,816	57,000	222,272	40,000	1,689,088	175,851	**3.82**	4.21	0.67
Aisha Steel Mills Limited	-	8,000	-	-	8,000	120	**-**	0.00	-
	3,406,736	**65,000**	**229,572**	**1,923,820**	**1,777,488**	**187,131**	**4.06**	**4.48**	
CEMENT									
D.G. Khan Cement Company Limited	558,386	-	-	558,386	-	-	**-**	-	-
Lucky Cement Limited	478,605	-		22,040	456,565	310,135	**6.73**	7.43	0.14
Maple Leaf Cement Factory Limited	1,014,852	135,000	-	526,369	623,483	22,414	**0.49**	0.54	0.11
Attock Cement Pakistan Limited	58,500	30,600	-	-	89,100	12,381	**0.27**	0.30	0.06
Kohat Cement Company Limited	917,410	60,600	-	500	977,510	184,358	**4.00**	4.42	0.49
Fauji Cement Company Limited	4,331,500	520,000	-	575,000	4,276,500	78,559	**1.71**	1.88	0.31
Cherat Cement Company Limited	126,900	-	-	126,900	-	-	**-**	-	-
FECTO Cement Limited	239,200	-	-		239,200	6,451	**0.14**	0.15	0.48
	7,725,353	**746,200**	**-**	**1,809,195**	**6,662,358**	**614,298**	**13.34**	**14.72**	

Name of the investee company	As at July 01, 2021	Acquired 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 net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	Number of shares					Rupees in '000		%	

All shares have a nominal face value of Rs. 10 each except for shares of Thal limited and Synthetic Products Limited Limited. which have a face value of Rs. 5.

TRANSPORT

Pakistan National Shipping Corporation	1,926,000	-	-	-	1,926,000	14,175	**0.31**	0.34	1.46
	1,926,000	**-**	**-**	**-**	**1,926,000**	**14,175**	**0.31**	**0.34**	

TEXTILE COMPOSITE

Nishat Mills Limited	1,470,300	-	-	252,100	1,218,200	96,944	**2.10**	2.32	0.35
Kohinoor Textile Mills Limited	1,584,380	22,500	-	3,500	1,603,380	111,307	**2.42**	2.67	0.54
Interloop Limited	948,877	-	28,466	16,000	961,343	69,880	**1.52**	1.67	0.11
Synthetic Products Limited (Refer 6.1.2)	546	-	44	-	590	11	**-**	0.00	-
	4,004,103	**22,500**	**28,510**	**271,600**	**3,783,513**	**278,142**	**6.04**	**6.66**	

FERTILIZER

Engro Corporation Limited (6.1.1)	1,186,047	-	-	305,000	881,047	240,015	**5.21**	5.75	0.15
Engro Fertilizers Limited	177,490	-	-	177,490	-	-	**-**	-	-
Fauji Fertilizer Bin Qasim Limited	-	192,000	-	-	192,000	4,758	**0.10**	0.11	0.02
	1,363,537	**192,000**	**-**	**482,490**	**1,073,047**	**244,773**	**5.31**	**5.86**	

POWER GENERATION AND DISTRIBUTION

The Hub Power Company Limited (6.1.1)	3,816,455	-	-	311,500	3,504,955	250,043	**5.43**	5.99	0.27
Lalpir Power Limited	370,000	-	-	-	370,000	5,221	**0.11**	0.13	0.10
	4,186,455	**-**	**-**	**311,500**	**3,874,955**	**255,264**	**5.54**	**6.12**	

COMMERCIAL BANKS

Meezan Bank Limited (Refer 6.1.2)	1,837,401	-	272,610	149,090	1,960,921	262,979	**5.71**	6.30	0.15
	1,837,401	**-**	**272,610**	**149,090**	**1,960,921**	**262,979**	**5.71**	**6.30**	

AUTOMOBILE ASSEMBLER

Millat Tractors Limited	77,130	-	15,426	3,420	89,136	76,857	**1.67**	1.84	0.18
Honda Atlas Cars (Pakistan) Limited	62,500	-		17,000	45,500	10,773	**0.23**	0.26	0.03
	139,630	**-**	**15,426**	**20,420**	**134,636**	**87,630**	**1.90**	**2.10**	

AUTOMOBILE PARTS AND ACCESSORIES

Baluchistan Wheels Limited	234,500	-	-	-	234,500	16,884	**0.37**	0.40	1.76
Thal Limited (Refer 6.1.2)	1	-			1	-	**-**	-	-
Panther tyres ltd	473,000	-	94,600	-	567,600	23,703	**0.51**	0.57	0.34
Agriautos Industries Co. Ltd.	1,400	-			1,400	313	**0.01**	0.01	0.01
	708,901	**-**	**94,600**	**-**	**803,501**	**40,900**	**0.89**	**0.98**	

PHARMACEUTICALS

Glaxo Smith Kline Consumer Healthcare	13,000	-	-	6,300	6,700	1,615	**0.04**	0.04	-
IBL HealthCare Limited	122,000	-	17,300	47,300	92,000	6,449	**0.14**	0.15	0.14
Abott Laboratries Pakistan Limited	24,000	-	-	-	24,000	17,220	**0.37**	0.41	0.02
The Searle Company Limited	352,937	21,200	99,341	87,000	386,478	55,545	**1.21**	1.33	0.12
AGP Limited	357,900	15,000		240,900	132,000	12,803	**0.28**	0.31	0.05
Citi Pharma Limited	-	797,833	57,883	354,000	501,716	17,941	**0.39**	0.43	0.22
	869,837	**834,033**	**174,524**	**735,500**	**1,142,894**	**111,573**	**2.43**	**2.67**	

Name of the investee company	As at July 01, 2021	Acquired 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 net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	Number of shares					Rupees in '000		%	
All shares have a nominal face value of Rs. 10 each except for shares of Thal limited and Synthetic Products Limited Limited. which have a face value of Rs. 5.									
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited (Refer 6.1.2)	14,322	-	-	-	14,322	1,305	**0.03**	0.03	0.01
TPL Trakker Limited	1,298,500	-	-	1,066,500	232,000	3,877	**0.08**	0.09	0.12
Systems Limited	426,360	-	-	26,400	399,960	303,906	**6.60**	7.28	0.32
	1,739,182	**-**	**-**	**1,092,900**	**646,282**	**309,088**	**6.71**	**7.40**	
CABLE AND ELECTRICAL GOODS									
Pak Elektron Limited	1,139,000			162,000	977,000	22,002	**0.48**	0.53	0.20
	1,139,000	**-**	**-**	**162,000**	**977,000**	**22,002**	**0.48**	**0.53**	
LEATHER & TANNERIES									
Service GlobalFootwear Limited	262,622				262,622	12,175	**0.26**	0.29	0.13
	262,622	**-**	**-**	**-**	**262,622**	**12,175**	**0.26**	**0.29**	
GLASS AND CERAMICS									
Tariq Glass Industries Limited	659,500	-	-	49,900	609,600	66,154	**1.44**	1.58	0.83
Shabbir Tiles and Ceramics Limited	2,382,500	-	-	-	2,382,500	55,608	**1.21**	1.33	1.99
Ghani Value Glass Limited	61,100	-	-	-	61,100	3,220	**0.07**	0.08	0.09
	3,103,100	**-**	**-**	**49,900**	**3,053,200**	**124,982**	**2.72**	**2.99**	
MISCELLANEOUS									
Pakistan Aluminium Beverage Cans Limited	-	559,548	-	559,548	-	-	**-**	-	-
	-	**559,548**	**-**	**559,548**	**-**	**-**	**-**	**-**	
Grand Total					38,656,509	3,792,439	**82.32**	**90.86**	
Carrying value before mark to market as at December 31, 2021						3,963,884			

6.1.1 Investments include shares with market value of Rs. 102.004 million (June 30, 2021: Rs. 111.967 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

Name of Investee Company	Shares pledged	Market value
		---Rs in '000---
Engro Corporation Limited	**200,000**	**54,484**
The Hub Power Company Limited	**62,000**	**4,423**
Pakistan Oilfields Limited	**29,000**	**10,371**
Pakistan Petroleum Limited	**345,000**	**27,269**
Pakistan State Oil Company Limited	**30,000**	**5,457**
		102,004

6.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold 5% of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to 5% 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 as a result 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 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.

6.2 Sukuks

Name of the investee company	Note	Number of certificates				Market value as at December 31, 2021	Market value as at June 30, 2021	Investment as a percentage of		
		As at July 1, 2021	Acquired during the year	Sold / matured during the year	As at December 31, 2021			Net assets	Market value of total investments	
						Rupees in '000				
						%				
Dubai Islamic Bank Pakistan Limited - unlisted		129	-	-	129	133,322	132,608	2.878	**0.32%**	3.1900
Engro Powergen Thar (Pvt) Limited - unlisted		20,000	-	20,000	-	-	100,000	2.171	**0.00%**	-
The HUB Power Company Limited - Listed		3,000	-	1,200	1,800	186,506	305,984	6.642	**0.45%**	4.47
Engro Polymer Chemical Limited - Listed		86,066	-	-	86,066	61,897	61,260	1.330	**0.15%**	1.48
Market value as at December 31, 2021						**381,725**				
Carrying value before mark to market as at December 31, 2021						**377,458**				

6.2.1 Other particulars of sukuks outstanding as at December 31, 2021 are as follows:

Name of the investee company	Face value (unredeemed	Mark-up rate per annum	Rating	Issue date	Maturity date
Dubai Islamic Bank Pakistan Limited - unlisted	1,000,000	6 months KIBOR offer rate + 0.50% Spread	AA-	July 14, 2017	July 14, 2027
The HUB Power Company Limited - Listed	100,000	3 months KIBOR offer rate + 1.90% Spread	AA+	August 22, 2019	August 22, 2023
Engro Polymer Chemical Limited - Listed	100,000	3 months KIBOR offer rate + 0.90% Spread	AA	January 11, 2019	July 11, 2026

6.3 Non-performing Sukuks

Name of the investee company	Note	Number of certificates				Market value as at December 31, 2021	Investment as a percentage of		
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at December 31, 2021		Net assets	Market value of total investments	Issue size
						Rupees in '000			
						%			
All sukuks have a face value of Rs. 5,000 each.									
Eden Housing Limited	6.3.1	5,000	-	-	5,000	-	-	-	-
Carrying value as at December 31, 2021					4,922				
Accumulated impairment					4,922				

6.3.1 This represents investment in privately placed sukuks with a term of five years. On May 6, 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per Circular no. 1 of 2009 and Circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

6.3.2 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

6.3.3 Other particulars of sukuks outstanding as at December 31, 2021 are as follows:

Name of the investee company	Face value (unredeemed)	Mark-up rate per annum	Rating	Issue date	Maturity date
	-Rupees-				
Eden House Limited	984	6 Month KIBOR plus 2.5%	Not rated	March 31, 2008	March 31, 2013

6.4 Unrealised appreciation / (diminution) on premeasurement of investments classified as financial assets at 'fair value through profit or loss'	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----------Rupees in '000----------	
Market value of investments	**4,174,164**	5,131,729
Less: carrying value of investments	**4,341,342**	4,338,797
	(167,178)	792,932

7 ACCRUED PROFIT AND DIVIDEND RECEIVABLE

Accrued profit on bank balances	**4,001**	3,995
Accrued profit on sukuks	**8,236**	10,264
Dividend receivable	**-**	1,948
	12,237	16,207

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
8	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**		----------Rupees in '000----------	
	Security deposits with:			
	-National Clearing Company of Pakistan Limited		**2,500**	2,500
	-Central Depository Company of Pakistan limited		**100**	100
	Prepayment		**14**	135
	Advance tax		**3,686**	3,686
	'Advance against IPO Subscription		**-**	32,486
			6,300	38,907
9	**PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY**			
	Remuneration of the Management Company	9.1	**5,809**	7,169
	Sindh sales tax on remuneration of the Management Company	9.2	**755**	932
	Reimbursement of operational expenses	9.3	**2,430**	2,174
	Reimbursement of selling and marketing expenses	9.4	**21,870**	25,363
	ADC charges payable including sindh sales tax		**302**	
	Sales and transfer load		**2,059**	24,296
	Sindh sales tax and Federal Excise Duty on sales and transfer load		**17,817**	23,595
			51,042	83,529

9.1 The Management Company has charged its remuneration at the rate of 1.5% of the average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

9.2 This represents amount payable in respect of Sindh sales tax at the rate of 13% (June 30, 2021: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

9.3 In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Management Company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS. Accordingly, such expense has been charged at the rate of 0.15% of average annual net assets of the fund till July 25, 2021 and thereafter at the rate of 0.2% of average annual net assets of the fund.

9.4 The Management Company based on its own discretion 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 December 17, 2019 till May 10, 2020	1.35% per annum of average daily net assets
From May 11, 2020 till January 25, 2021	1.5% per annum of average daily net assets
From January 26, 2021 till August 22, 2021	1.75% per annum of average daily net assets
From August 23, 2021 till December 31, 2021	1.8% per annum of average daily net assets

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
10	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE**		----------Rupees in '000----------	
	Remuneration of the Trustee	10.1	**472**	560
	Sindh sales tax on remuneration of the Trustee		**61**	73
			533	633

10.1 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:	**Tariff per annum**
- up to Rs one billion	0.20% per annum of Net Assets Value (NAV), whichever is higher
- Exceeding Rs one billion	Rs 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rs 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an ""asset allocation scheme"" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019, fee has been reduced to 0.02% per annum from 0.075% per annum. The fee is paid annually in arrears.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
12 ACCRUED EXPENSES AND OTHER LIABILITIES	**Note**	**----------Rupees in '000----------**	
Auditors' remuneration		**446**	542
Federal Excise Duty on remuneration of the Management Company	12.1	**18,406**	18,406
Provision for Sindh Workers' Welfare Fund	12.2	**-**	89,944
Bank charges		**143**	226
Settlement charges		**570**	645
Printing charges		**23**	74
Brokerage Charges		**472**	1,779
Charity	12.3	**7,782**	6,696
Withholding tax		**79**	21,945
Capital gain tax		**575**	2,812
Others		**575**	1,123
		29,071	144,192

12.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

The Honorable Sindh High Court (SHC) through its recent order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from July 01, 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated July 16, 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 18.406 million. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0663 (June 30, 2021: Rs. 0.0548) per unit.

12.2 During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Islamic Sarmaya Izafa Fund amounting to Rs. 89.944 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Sarmaya Izafa Fund by 1.69% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

12.3 According to the instructions of the shariah advisor, any income earned by the Fund from investments whereby portion of the investment of such investees has been made in shariah non-compliant avenues, such proportion of income of the Fund from those investees should be given away for charitable purposes directly by the Fund. Accordingly, an amount of Rs. 7.782 million (June 30, 2021: Rs 6.696 million) is outstanding in this regard after making charity payments of Rs.3.310 million (June 30, 2020: Rs. 8.583 million) to charitable institutions.

13 CONTINGENCIES AND COMMITMENTS

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

14 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Management intends to distribute such accounting income for the year ending June 30, 2021 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current period. Moreover supertax introduced in the Finance Act, 2015 is not applicable on funds as per section 4B of the Income Tax Ordinance, 2001.

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.

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 DETAILS OF NON-COMPLIANT INVESTMENTS

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

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed specific disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets	% of gross assets
			----------Rupees in '000----------				
Eden Housing Limited	Rating is below investment grade asprescribed in clause 9(v) of the annexure of circular no. 7 of 2009	Sukuks	4,922	(4,922)	-	-	-

16.1 At the time of purchase, these sukuks were in compliance with the aforementioned circular. However, they were subsequently defaulted or were downgraded to non investment grade.

17 TOTAL EXPENSE RATIO

Total expense ratio (TER) of the Fund for the period ended December 31, 2021 is 3.94% (Dec 31, 2020: 4.13%) per annum which includes 0.23% (Dec 31, 2020: 0.78) representing government levies on Collective Investment Schemes such as sales tax and Securities and Exchange Commission of Pakistan fee for the year.

18 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

18.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsor, NAFA Pension Fund, NAFA Provident Fund Trust being associates Management Company and other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding 10% or more units of the fund.

18.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

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

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

18.5 Details of transaction with connected persons and related parties are as follows:

	(Un-audited)	
	December 31, 2021	December 31 2020
	--------- Rupees in '000' ---------	
NBP Fund Management Limited - The Management Company		
Remuneration of the Management Company	**38,864**	43,082
Sindh sales tax on remuneration of the Management Company	**5,052**	5,601
Reimbursement of operational expenses to the Management Company	**4,989**	3,391
Reimbursement of selling and marketing expenses	**46,231**	43,082
Sales and transfer load including sales tax	**11,303**	22,161
ADC charges for the period including sindh sales tax	**215**	-
Units issued / transferred in:		
5,243,844 units (2020: Nil units)	**86,185**	-

	(Un-audited)	
	December 31, 2021	December 31 2020
	--------- Rupees in '000' ---------	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**3,095**	3,376
Sindh sales tax on remuneration of the Trustee	**402**	439
Settlement charges	**157**	71
Employees of the Management Company		
Units issued / transferred in:		
1,675,770 units (2020: 2,285,265 units)	**28,024**	35,693
Units redeemed / transferred out:		
1,652,513 units (2020: 2,144,806 units)	**27,734**	33,670
Dividend re-invest: Nil (2019: 13,328 units)	**-**	-
Khalid Mehmood - CFO		
Units issued / transferred in:		
57,441 units (2020: Nil units)	**1,000**	-
National Bank of Pakistan - Parent of the Management Company		
Profit on bank balances	**5,554**	-
NBP Islamic Income Fund		
Sale of Sukuk	**102,133**	-
Taurus Securities Limited - Subsidiary of Parent of the Management Company		
Brokerage charges	**54**	58
NBP Islamic Stock Fund		
Purchase of Shares: Nil (2020: 671,500)		47,740
NBP Riba Free Savings Fund		
Purchase of Sukuks	**-**	297,813
Bank Islami Pakistan Limited - Common directorship		
Profit on bank balances	**1,552**	1,694
Sale of Sukuks	**-**	761,153
Purcahse of Sukuks	**-**	761,756
International Steel Limited - Common directorship		
Nil Ordinany Shares purchased Nil (2020: Nil)	**-**	-
162,120 Ordinary Shares sold (2020: 640,912)	**12,154**	44,853
Dividend income	**1,134**	-
**** The Hub power Company Limited - Common directorship**		
Nil Ordinary Shares sold (2020: 430,500)	**-**	34,287
Nil Ordinary Shares purchased (2020: 180,000)	**-**	15,062
Dividend income	**-**	11,464
Sukuk Income	**-**	14,141
Cherat Cement Company Limited - Common directorship		
126,900 Ordinary Shares sold (2020: Nil Shares)	**20,333**	-

		(Un-audited) December 31, 2021	December 31 2020
		--------- Rupees in '000' ---------	
	National Clearing Company of Pakistan Limited - Common directorship		
	NCCPL Charges	**121**	195
	**** Pakistan Stock Exchange Limited - Common directorship**		
	Listing fee paid	**-**	25
	Portfolio managed by Management Company		
	Units issued / transferred in:		
	202,518 units (2020: 760,144)	**3,450**	12,400
	Units redeemed / transferred out		
	205,518 Nil units (2020: 152,578 units)	**3,528**	-

18.6 Amounts outstanding as at period / year end are as follows:

		(Un-audited) December 31, 2021	(Audited) June 30 2021
		--------- Rupees in '000' ---------	
	NBP Fund Management Limited - Management Company		
	Remuneration of the Management Company	**5,809**	7,169
	Sindh sales tax on remuneration of the Management Company	**755**	932
	Reimbursement of operational expenses	**2,430**	2,174
	Sales load	**2,059**	24,296
	Sindh sales tax and Federal Excise Duty on sales and transfer load	**17,817**	23,595
	ADC charges payable including sindh sales tax	**302**	-
	Reimbursement of selling and marketing expenses	**21,870**	25,363
	Units held - 5,243,844 units (June 30, 2021: Nil units)	**87,050**	-
	Central Depository Company of Pakistan Limited- Trustee		
	Remuneration of the Trustee	**472**	560
	Sindh sales tax on remuneration of the Trustee	**61**	73
	Settlement charges	**252**	257
	Security deposit	**100**	100
	National Bank of Pakistan - Parent of the Management Company		
	Bank balances	**154,445**	158,526
	Profit on bank balances	**1,157**	8
	Khalid Mehmood - CFO		
	Units held - 57,441 units (June 30, 2021: Nil units)	**954**	-
	**** International Industries Limited - Common directorship**		
	Nil Ordinary shares held (June 2021: 99,300 shares)	**-**	20,954
	International Steel Limited - Common directorship		
	Nil Ordinary shares held (June 2021: 162,120 shares)	**-**	15,144

	(Un-audited) December 31, 2021	(Audited) June 30 2021
	--------- Rupees in '000' ---------	
Bank Islami Pakistan Limited - Common directorship		
Bank balances	**45,873**	23,083
Profit on bank balances	**286**	1
Cherat Cement Company Limited - Common directorship		
Ordinary shares held: Nil shares (June 2021: 126,900 shares)	**-**	22,510
Employees of the Management Company		
Units held - 176,850 units (June 30, 2021: 197,093 units)	**2,936**	3,295
**** Askari Bank Limited - Common directorship**		
Bank balances	**-**	11
Profit on bank balances	**-**	4
**** The Hub power Company Limited - Common directorship**		
Ordinary shares held 3,096,455 shares (June 2021: 3,816,455 shares)	**-**	304,057
Investment in sukuk	**-**	305,984
Profit receivable	**-**	3,077
Portfolio managed by Management Company		
Units held - 5,243,844 units (June 30, 2021: Nil units)	**87,050**	-
National Clearing Company of Pakistan Limited - Common directorship		
NCCPL charges payable	**318**	388
Security deposit	**2,500**	2,500
**** Summit Bank Limited - Common directorship**		
Bank balances	**-**	9,733

** Current period 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.

19 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.

Fair value hierarchy:

- **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 (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

		Carrying amount			Fair value			
		At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2021	**Note**	---------- Rupees in '000 ----------						
Financial assets measured at fair value								
Sukuks	6	**377,458**	**-**	**377,458**	**248,403**	**133,322**	**-**	**381,725**
Listed equity securities		**3,792,439**	**-**	**3,792,439**	**3,792,439**	**-**	**-**	**3,792,439**
		4,169,897	**-**	**4,169,897**	**4,040,842**	**133,322**	**-**	**4,174,164**
Financial assets not measured at fair value								
Bank balances	5	**-**	**485,862**	**485,862**	**-**	**-**	**-**	**-**
Accrued profit	7	**-**	**13,809**	**13,809**	**-**	**-**	**-**	**-**
Receivable against transfer of units		**-**	**8,954**	**8,954**	**-**	**-**	**-**	
Deposits and other receivables		**-**	**5,939**	**5,939**	**-**	**-**	**-**	**-**
		-	**514,564**	**514,564**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Payable to the Management Company	9	**-**	**51,042**	**51,042**	**-**	**-**	**-**	**-**
Remuneration payable to the Trustee	10	**-**	**533**	**533**	**-**	**-**	**-**	**-**
Payable against redemption of units			**680**	**680**				
Accrued expenses and other liabilities	12	**-**	**13,422**	**13,422**				
Net assets attributable to redeemable units		**-**	**4,607,128**	**4,607,128**	**-**	**-**	**-**	**-**
		-	**4,672,805**	**4,672,805**	**-**	**-**	**-**	**-**

		Carrying amount			Fair value			
		At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2021	Note	---------- Rupees in '000 ----------						
Financial assets measured at fair value								
Government securities - Ijarah sukuks		-	-	-	-	-	-	-
Sukuks	6	599,851	-	599,851	-	599,851	-	599,851
Listed equity securities		4,531,878	-	4,531,878	4,531,878	-	-	4,531,878
		5,131,729	-	5,131,729	4,531,878	599,851	-	5,131,729
Financial assets not measured at fair value								
Bank balances	5	-	622,432	622,432	-	-	-	-
Accrued profit	7	-	34,678	34,678	-	-	-	-
Receivable against sale of Investment		-	798	798	-	-	-	
		-	**657,908**	**657,908**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Payable to the Management Company	9	-	47,220	47,220	-	-	-	-
Remuneration payable to the Trustee	10	-	563	563	-	-	-	-
Accrued expenses and other liabilities	12	-	1,069	1,069				
		-	48,852	48,852	-	-	-	-

20 GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

20.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

21 DATE OF AUTHORISATION FOR ISSUE

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive Officer**	**Director**

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
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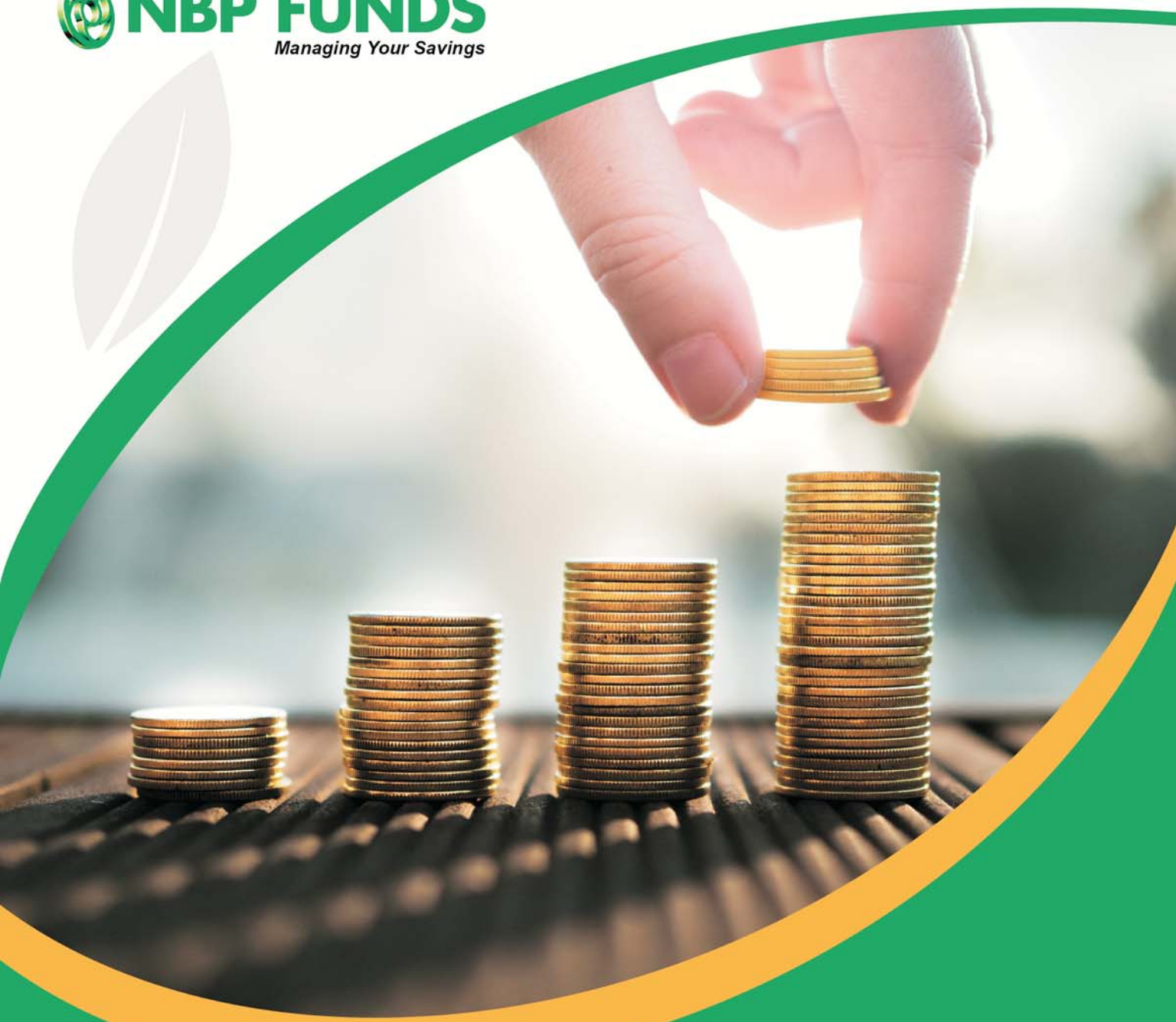
Toll Free: 0800-20002
Sms: INVEST to 9995
Fax: 021-35825335
Email: info@nbpfunds.com
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS
Managing Your Savings



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

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.

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Fax: 92-42-35861095

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National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

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

DIRECTORS' REPORT

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

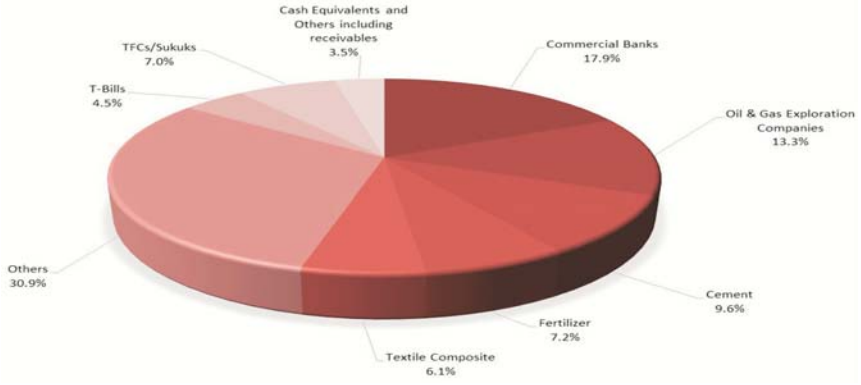
During 1HFY22, the Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%; in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic 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 the period, 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.

The size of NBP Sarmaya Izafa Fund has decreased from Rs. 1,454 million to Rs.1,111 million during the period, i.e., a decrease of 24%. During the period, the unit price of NBP Sarmaya Izafa Fund has decreased from Rs. 16.8895 on June 30, 2021 to Rs. 16.6703 on December 31, 2021, thus showing a decrease of 1.3%. The Benchmark decrease during the same period was 3.8%. Thus, the Fund has outperformed its Benchmark by 2.5% during the period under review. Since inception the NAV of the Fund has increased from Rs. 4.2952 (Ex-Div) on August 20, 2010 to Rs. 16.6703 on December 31, 2021, thus showing an increase of 288.1%. During the said period, the Benchmark increased by 164.7%, translating into outperformance of 123.4%. 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 no to be repeated in the future.

The Fund has earned a total income of Rs. 17.82 million during the period. After deducting total expenses of Rs. 26.85 million, the loss is Rs. 9.03 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



NSIF Performance versus Benchmark

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive **Director**

Date: **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 سرمایہ اضافہ فنڈ (NSIF) 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 گردشی اتار چڑھاؤ رہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بینچ مارک KSE-100 انڈیکس میں تقریباً 2,760 پوائنٹس کی کمی ہوئی، جس سے زیرِ جائزہ مدت کے دوران 5.8 فیصد کی کمی واقع ہوئی۔

جون اور تیمر 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 ہوگئی، 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 نمو کے باوجود، 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۔ ماہانہ افراط زر کی شرح میں بھی اضافہ ہوتا رہا اور زیرِ 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 تعطل کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI ایمرجنگ مارکیٹ سے MSCI فرنٹیئر 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 کے 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 اسپیشل 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 پیکج 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 سیکٹر وائز کارکردگی کے پیشِ نظر، آٹو موبائل اسمبلرز، کیمیکلز، کمرشل بینکس، کھاد یں، خوراک اور ذاتی نگہداشت، گلاس اینڈ سرامکس، تیل وگیس ایکسپلوریشن، بجلی پیدا اور تقسیم کرنے، اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور اسمبریز، کیبل اور الیکٹرک کا سامان، سیمنٹ، انجینئرنگ، انشورنس، تیل وگیس مارکیٹنگ، کاغذ اور بورڈ، دواسازی، ریفائنریز، ٹیکنالوجی اور کمیونیکیشن، اور وینا سپتی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیرِ 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۔

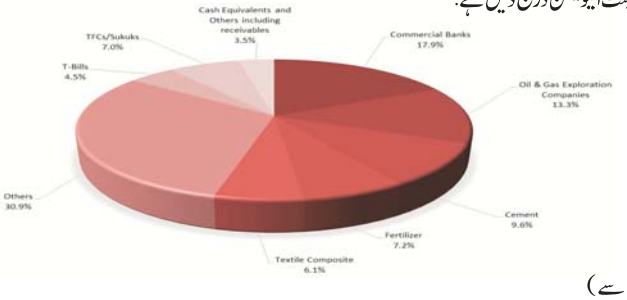
1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراطِ زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراطِ زر عالمی قیمتیں اور مقامی طلب نمو زیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ یوٹیلٹی چارجز، موٹر فیول، ہاؤس رینٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران افراطِ 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۔

اسٹیٹ بینک آف 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 میچورٹی 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۔

موجودہ مدت کے دوران NBP سرمایہ اضافہ فنڈ کا سائز 1,454 ملین روپے سے کم ہوکر 1,111 ملین روپے ہوگیا ہے یعنی 24% کی کمی ہوئی۔اس مدت کے دوران، NBP سرمایہ اضافہ فنڈ کی یونٹ قیمت 30 جون 2021 کو 16.8895 روپے سے کم ہوکر 31 دسمبر 2021ء کو 16.6703 روپے ہوگئی، جو 1.3% کی کمی ظاہر کررہی ہے۔اسی مدت کے دوران بنچ مارک میں کمی 3.8% تھی۔ چنانچہ زیرِ جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بنچ مارک سے 2.5% بہتر رہی۔ اپنے قیام کے بعد 20 اگست 2010 سے فنڈ کا NAV 4.2952 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021ء کو 16.6703 روپے ہوگئی، چنانچہ 288.1% کا اضافہ ہوا۔اس مدت کے دوران بنچ مارک 164.7% سے بڑھا۔لہٰذا فنڈ نے 123.4% کی بہتر کارکردگی دکھائی۔فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویژننگ ریورس کردی گئی۔اس پرویژن 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 17.82 ملین روپے کی کل آمدنی ہوئی۔26.85 ملین روپے کے اخراجات منہا کرنے کے بعد نقصان 9.03 ملین روپے ہے۔

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



NSIF کی کارکردگی بمقابلہ بنچ مارک (اپنے قیام سے)

اظہارِ تشکر

یورڈ اس موقع سے فائدہ اُٹھاتے 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

چیف ایگزیکٹو **ڈائریکٹر**

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 Sarmaya Izafa 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 Sarmaya Izafa 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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		--------- Rupees in '000 ---------	
ASSETS			
Bank balances	4	111,190	291,618
Investments	5	1,070,807	1,209,780
Profit and dividend receivable		960	1,177
Receivable against sale of investments		5,586	-
Receivable against issuance of units		-	8,908
Advance against IPO subscription		-	8,275
Deposits, prepayments and other receivables		3,294	3,415
Total assets		1,191,837	1,523,173
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	6	28,450	29,617
Payable to Central Depository Company of Pakistan Limited - Trustee		209	230
Payable to the Securities and Exchange Commission of Pakistan	7	130	287
Payable against redemption of units		1,663	302
Payable against purchase of investments		49,876	5,955
Accrued expenses and other liabilities	8	943	32,735
Total liabilities		81,271	69,126
NET ASSETS		1,110,566	1,454,047
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,110,566	1,454,047
CONTINGENCIES AND COMMITMENTS	9		
		----------Number of units---------	
NUMBER OF UNITS IN ISSUE		66,619,325	86,091,518
		----------Rupees----------	
NET ASSET VALUE PER UNIT	10	16.6703	16.8895

The annexed notes from 1 to 17 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

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees in '000			
INCOME					
Profit on bank deposits		2,835	7,516	1,147	4,530
Income on corporate sukuk certificates		3,574	2,356	1,847	1,147
Income on government securities		3,056	17,181	1,189	8,695
Dividend income		41,684	12,535	24,801	9,463
(Loss) / gain on sale of investments - net		(13,965)	32,914	(11,590)	4,748
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4	(44,913)	140,604	18,758	40,517
		(58,878)	173,518	7,168	45,265
Total (loss) / income		(7,729)	213,106	36,152	69,100
EXPENSES					
Remuneration of NBP Fund Management Limited - Management Company	6.1	9,733	10,357	4,504	5,222
Sindh Sales Tax on remuneration of the Management Company	6.2	1,265	1,346	585	678
Reimbursement of allocated expenses	6.4	1,248	816	601	473
Reimbursement of selling and marketing expenses	6.5	11,575	10,357	5,405	5,222
Remuneration of Central Depository Company of Pakistan Limited -Trustee		1,153	1,195	552	601
Sindh Sales Tax on remuneration of the Trustee		150	155	72	78
Annual fee to the Securities and Exchange Commission of Pakistan	7.1	130	138	60	70
Securities transaction costs		384	615	238	248
Settlement and bank charges		269	208	134	187
Auditors' remuneration		483	276	248	78
Legal and professional charges		266	37	221	19
Rating fee		133	101	66	50
Listing fee		14	7	7	-
Printing charges		51	18	26	9
Total expenses		26,854	25,626	12,719	12,935
Net (loss) / income from operating activities		(34,583)	187,480	23,433	56,165
Reversal of provision / (provision) against Sindh Workers' Welfare Fund - net	8.1	25,552	(3,750)	-	(1,124)
Net (loss) / income for the period before taxation		(9,031)	183,730	23,433	55,041
Taxation	11	-	-	-	-
Net (loss) / income for the period		(9,031)	183,730	23,433	55,041
(Loss) / earnings per unit	12				
Allocation of net income for the period					
Net income for the period		-	183,730	-	55,041
Income already paid on units redeemed		-	(22,526)	-	(7,838)
		-	161,204	-	47,203
Accounting income available for distribution:					
- Relating to capital gains		-	161,204	-	47,203
- Excluding capital gains		-	-	-	-
		-	161,204	-	47,203

The annexed notes from 1 to 17 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		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees in '000			
Net (loss) / income for the period	(9,031)	183,730	23,433	55,041
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(9,031)	183,730	23,433	55,041

The annexed notes from 1 to 17 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 beginning of the period (audited)	743,335	710,712	1,454,047	689,515	568,927	1,258,442
Issue of 11,002,295 units (2020: 30,566,935 units)						
- Capital value (at ex - net asset value per unit)	185,823	-	185,823	447,017	-	447,017
- Element of (loss) / income	(469)	-	(469)	53,190	-	53,190
Total proceeds on issue of units	185,354	-	185,354	500,207	-	500,207
Redemption 30,474,488 of units (2020: 22,532,119 units)						
- Capital value (at ex - net asset value per unit)	(514,699)		(514,699)	(329,514)		(329,514)
- Element of loss	(5,105)	-	(5,105)	(11,745)	(22,526)	(34,271)
Total payments on redemption of units	(519,804)	-	(519,804)	(341,259)	(22,526)	(363,785)
Total comprehensive (loss) / income for the period	-	(9,031)	(9,031)	-	183,730	183,730
Net assets at end of the period (un-audited)	408,885	701,681	1,110,566	848,463	730,131	1,578,594
Undistributed income brought forward						
- Realised gain		532,700			560,107	
- Unrealised gain		178,012			8,820	
		710,712			568,927	
Accounting income available for distribution:						
- Relating to capital gains		-			161,204	
- Excluding capital gains		-			-	
		-			161,204	
Total comprehensive loss for the period		(9,031)			-	
Undistributed income carried forward		701,681			730,131	
Undistributed income carried forward						
- Realised gain		746,594			589,527	
- Unrealised (loss) / gain		(44,913)			140,604	
		701,681			730,131	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		16.8895			14.6242	
Net assets value per unit at end of the period		16.6703			16.7781	

The annexed notes from 1 to 17 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

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / income for the period before taxation		(9,031)	183,730
Adjustments:			
Profit on bank deposits		(2,835)	(7,516)
Income on corporate sukuk certificates		(3,574)	(2,356)
Income on government securities		(3,056)	(17,181)
Dividend income		(41,684)	(12,535)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund- net	8.1	(25,552)	3,750
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4	44,913	(140,604)
		(31,788)	(176,442)
Decrease in assets			
Investments - net		194,449	56,235
Deposits, prepayments and other receivables		121	81
		194,570	56,316
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - Management Company		(1,167)	727
Payable to Central Depository Company of Pakistan Limited - Trustee		(21)	23
Payable to the Securities and Exchange Commission of Pakistan		(157)	(137)
Accrued expenses and other liabilities		(6,240)	(12,523)
		(7,585)	(11,910)
Profit received on bank deposits, corporate sukuk certificates and government securities		8,516	25,798
Dividend received		41,670	12,015
		50,186	37,813
Net cash generated from operating activities		196,352	89,507
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		194,262	508,092
Net payments against redemption of units		(521,165)	(377,045)
Net cash (used in) / generated from financing activities		(326,903)	131,047
Net (decrease) / increase in cash and cash equivalents during the period		(130,551)	220,554
Cash and cash equivalents at beginning of the period		291,618	619,145
Cash and cash equivalents at end of the period	4.3	161,067	839,699

The annexed notes from 1 to 17 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 Sarmaya Izafa 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 on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010.

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 14, 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 asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 20, 2010 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities. The Fund also undertakes transactions under margin trading system.

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 "3-Star" (2021: "3-Star" on August 28, 2020) dated August 06, 2021.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 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).

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.

2.1.2 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.

2.1.3 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 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.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
4 BANK BALANCES	**Note**	**---------Rupees in '000---------**	
- Savings accounts	4.1	109,631	287,867
- Current accounts	4.2	1,559	3,751
		111,190	291,618

4.1 These include balances of Rs. 0.211 million, Rs 0.59 million, Rs 0.003 million and Rs 0.014 million (2021: Rs 0.088 million, 1.995 million, Rs 0.003 million and Rs 0.013 million respectively) maintained with National Bank

of Pakistan, BankIslami Pakistan Limited, Telenor Microfinance Bank Limited and Khushhali Microfinance Bank Limited (related parties) respectively, that carry profit at the rates of 2%, 10.20%, 11% and 8.5% per annum respectively (2021: 5%, 6.25%, 5.5% and 9.8% per annum) respectively. Other savings accounts of the Fund carry profits at the rates ranging from 7.25% to 10.79% per annum (2021: 5% to 7.75% per annum).

4.2 This represents balance of Rs. 1.559 million (2021: Rs. 1.560 million), maintained with National Bank of Pakistan (related party).

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
4.3	**Cash and cash equivalents**		------- (Rupees in '000) -------	
	Balances with banks	4	111,190	291,618
	Government securities - Market Treasury Bills	5.2	49,877	-
			161,067	291,618
5	**INVESTMENTS**			
	At fair value through profit or loss			
	Listed equity securities	5.1	943,620	1,133,695
	Government securities - Market Treasury Bills	5.2	49,877	-
	Corporate sukuk certificates	5.3	77,310	76,085
			1,070,807	1,209,780

5.1 Listed equity securities

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

Name of the Investee Company	Number of shares held					Market value as at December 31, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2021	Purchased during the period	Bonus / right / sub division of shares received during the period	Sold during the period	As at December 31, 2021		Total market value of Investments	Net assets of the Fund	
						Rupees in '000	---------- % ----------		
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited (note 5.1.2)	168,708	-	-	10,000	158,708	28,867	2.70%	2.60%	0.03%
Hascol Petroleum Limited (note 5.1.2) *	1,861	-	-	-	1,861	12	-	-	-
Attock Petroleum Limited	22,500	-	-	-	22,500	7,065	0.66%	0.64%	0.02%
Sui Northern Gas Pipelines Limited	29,700	-	-	29,700	-	-	-	-	-
						35,944	3.36%	3.24%	
OIL AND GAS EXPLORATION COMPANIES									
Oil & Gas Development Company Limited (note 5.1.1)	511,800	23,000	-	39,800	495,000	42,669	3.98%	3.84%	0.01%
Pakistan Oilfields Limited	37,620	1,800	-	5,400	34,020	12,166	1.14%	1.10%	0.01%
Pakistan Petroleum Limited (note 5.1.1)	546,369	9,600	-	75,000	480,969	38,016	3.55%	3.42%	0.02%
Mari Petroleum Company Limited	34,110	-	-	1,200	32,910	54,441	5.08%	4.90%	0.02%
						147,292	13.76%	13.26%	
FERTILIZER									
Engro Corporation Limited	141,470	-	-	30,100	111,370	30,339	2.83%	2.73%	0.02%
Fauji Fertilizer Bin Qasim Limited	473,500	110,000	-	-	583,500	14,459	1.35%	1.30%	0.05%
Engro Fertilizers Limited	19,000	-	-	19,000	-	-	-	-	-
Fauji Fertilizer Company Limited - related party	306,800	38,500	-	-	345,300	34,620	3.23%	3.12%	0.03%
						79,418	7.42%	7.15%	
ENGINEERING									
Mughal Iron & Steel Industries Limited	279,560	25,000	41,934	8,000	338,494	35,241	3.29%	3.17%	0.10%
International Steels Limited - related party	26,899	-	-	26,899	-	-	-	-	-
Agha Steel Ind. Ltd.	352,500	-	2,825	355,325	-	-	-	-	-
Aisha Steel Mills Limited	55,000	-	-	-	55,000	828	0.08%	0.07%	0.01%
Amreli Steels Limited	161,500	-	-	49,500	112,000	5,013	0.47%	0.45%	0.04%
International Industries Limited	4,100	-	-	4,100	-	-	-	-	-
						41,082	3.84%	3.70%	

Name of the Investee Company	Number of shares held					Market value as at December 31, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2021	Purchased during the period	Bonus / right / sub division of shares received during the period	Sold during the period	As at December 31, 2021		Total market value of Investments	Net assets of the Fund	
						Rupees in '000	%		
CEMENT									
Kohat Cement Company Limited	176,950	-	-	13,000	163,950	30,921	2.89%	2.78%	0.08%
Fauji Cement Company Limited	754,500	294,000	-	50,000	998,500	18,342	1.71%	1.65%	0.07%
Maple Leaf Cement Factory Limited	218,000	90,400	-	132,100	176,300	6,338	0.59%	0.57%	0.02%
D.G. Khan Cement Company Limited	127,000	-	-	127,000	-	-	-	-	-
Lucky Cement Limited	90,800	-	-	18,345	72,455	49,217	4.60%	4.43%	0.02%
Cherat Cement Company Limited	38,300	22,000	-	60,300	-	-	-	-	-
Attock Cement Pakistan Limited	-	12,400	-	-	12,400	1,723	0.16%	0.16%	0.01%
						106,541	9.95%	9.59%	
PAPER & BOARD									
Packages Limited	6,200	-	-	2,300	3,900	1,939	0.18%	0.17%	0.00%
Century Paper & Board Mills Limited	103,900	-	12,285	116,185	-	-	-	-	-
Roshan Packages Limited	95,000	-	-	-	95,000	1,861	0.17%	0.17%	0.07%
						3,800	0.35%	0.34%	
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	23,625	-	4,725	7,100	21,250	18,323	1.71%	1.65%	0.03%
Honda Atlas Cars (Pakistan) Limited	3,800	8,500	-	3,400	8,900	2,107	0.20%	0.19%	0.01%
Indus Motor Company Limited	969	-	-	969	-	-	-	-	-
Pak Suzuki Motors Company Limited	26,500	-	-	26,500	-	-	-	-	-
						20,430	1.91%	1.84%	
LEATHER AND TANNERIES									
Service GlobalFootwear Limited	63,806	-	-	-	63,806	2,958	0.28%	0.27%	0.03%
Service Industries Limited	16,400	-	-	-	16,400	7,684	0.72%	0.69%	0.03%
						10,642	0.99%	0.96%	
TRANSPORT									
Pakistan International Bulk Terminal Limited *	71,000	-	-	-	71,000	523	0.05%	0.05%	-
						523	0.05%	0.05%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	67,925	-	-	5,400	62,525	47,509	4.44%	4.28%	0.05%
Avanceon Limited	21,000	-	-	21,000	-	-	-	-	-
TPL Trakker Limited	323,500	-	-	323,500	-	-	-	-	-
						47,509	4.44%	4.28%	
TEXTILE COMPOSITE									
Nishat Mills Limited	235,000	-	-	26,000	209,000	16,632	1.55%	1.50%	0.06%
Interloop Limited	192,677	-	5,180	49,500	148,357	10,784	1.01%	0.97%	0.02%
Kohinoor Textile Mills Limited (note 5.1.2)	255,194	7,000	-	-	262,194	18,201	1.70%	1.64%	0.09%
Gul Ahmed Textile Mills Limited - related party	268,272	-	-	40,500	227,772	10,719	1.00%	0.97%	0.04%
Nishat Chunian Limited	254,500	-	-	11,500	243,000	11,069	1.03%	1.00%	0.10%
The Crescent Textile Mills Limited *	1,500	-	375	-	1,875	38	-	-	-
						67,443	6.29%	6.07%	
PHARMACEUTICALS									
The Searle Company Limited	62,173	5,500	17,122	14,100	70,695	10,160	0.95%	0.91%	0.02%
AGP Limited	105,000	4,500	-	75,900	33,600	3,259	0.30%	0.29%	0.01%
Highnoon Laboratories Limited	9,079	-	-	-	9,079	5,700	0.53%	0.51%	0.02%
Citi Pharma Ltd.	-	203,368	17,437	94,000	126,805	4,535	0.42%	0.41%	0.06%
GlaxoSmithKline Consumer Healthcare *	3,500	-	-	1,500	2,000	482	0.05%	0.04%	-
IBL HealthCare Limited	27,500	-	4,000	7,500	24,000	1,682	0.16%	0.15%	0.04%
						25,818	2.41%	2.32%	

Name of the Investee Company	Number of shares held					Market value as at December 31, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2021	Purchased during the period	Bonus / right / sub division of shares received during the period	Sold during the period	As at December 31, 2021		Total market value of Investments	Net assets of the Fund	
						Rupees in '000	%		
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited	620,079	-	-	57,500	562,579	40,134	3.75%	3.61%	0.04%
Lalpir Power Limited	336,000	-	-	-	336,000	4,741	0.44%	0.43%	0.09%
Pakgen Power Limited	200,500	-	-	1,500	199,000	4,776	0.45%	0.43%	0.05%
Saif Power Limited	93,000	-	-	-	93,000	1,754	0.16%	0.16%	0.02%
						51,405	4.80%	4.63%	
COMMERCIAL BANKS									
Allied Bank Limited *	37,200	-	-	-	37,200	3,061	0.29%	0.28%	-
Bank Alfalah Limited	1,051,950	76,000	-	-	1,127,950	39,027	3.64%	3.51%	0.06%
Bank AL Habib Limited (note 5.1.1)	468,650	-	-	-	468,650	32,342	3.02%	2.91%	0.04%
Faysal Bank Limited (note 5.1.2)	251,145	104,000	-	-	355,145	8,168	0.76%	0.74%	0.02%
Habib Bank Limited	483,167	-	-	40,500	442,667	51,624	4.82%	4.65%	0.03%
MCB Bank Limited	92,800	-	-	6,000	86,800	13,311	1.24%	1.20%	0.01%
United Bank Limited	284,503	33,000	-	-	317,503	43,365	4.05%	3.90%	0.03%
Habib Metropolitan Bank Limited	62,000	-	-	-	62,000	2,655	0.25%	0.24%	0.01%
Meezan Bank Limited *	35,500	-	5,325	-	40,825	5,475	0.51%	0.49%	-
						199,028	18.59%	17.92%	
CHEMICAL									
Engro Polymer & Chemicals Limited	755,857	13,500	-	129,000	640,357	34,714	3.24%	3.13%	0.07%
Lotte Chemical Pakistan Limited	965,000	46,500	-	-	1,011,500	13,817	1.29%	1.24%	0.07%
						48,531	4.53%	4.37%	
GLASS AND CERAMICS									
Tariq Glass Industries Limited	167,125	-	-	8,500	158,625	17,214	1.61%	1.55%	0.12%
Shabbir Tiles and Ceramics Limited	734,500	25,000	-	-	759,500	17,727	1.66%	1.60%	0.63%
						34,941	3.26%	3.15%	
CABLE AND ELECTRICAL GOODS									
Pak Elektron Limited	284,000	-	-	-	284,000	6,396	0.60%	0.58%	0.06%
						6,396	0.60%	0.58%	
INSURANCE									
Adamjee Insurance Company Limited	121,000	-	-	81,500	39,500	1,580	0.15%	0.14%	0.01%
IGI Holdings Limited	50,000	-	-	-	50,000	7,682	0.72%	0.69%	0.04%
						9,262	0.86%	0.83%	
AUTOMOBILE PARTS & ACCESSORIES									
Baluchistan Wheels Limited	7,500	-	-	-	7,500	540	0.05%	0.05%	0.06%
Panther Tyres Ltd.	58,500	-	11,700	-	70,200	2,932	0.27%	0.26%	0.04%
						3,472	0.32%	0.31%	
FOOD AND PERSONAL CARE PRODUCTS									
Shezan International Limited	12,500	-	1,250	-	13,750	3,048	0.28%	0.27%	0.14%
Unity Foods Limited	140,500	-	-	140,500	-	-	-	-	-
						3,048	0.28%	0.27%	
MISCELLANEOUS									
Synthetic Products Enterprises Limited **	28,080	-	32,572	-	60,652	1,095	0.10%	0.10%	0.06%
Pakistan Aluminium Beverage Cans Limited	-	142,688	-	142,688	-	-	-	-	-
						1,095	0.10%	0.10%	
Total - December 31, 2021						943,620	88.12%	84.96%	
Carrying value as at December 31, 2021						989,759			
Market value as at June 30, 2021						1,133,695			
Carrying value as at June 30, 2021						955,696			

* Nil figures due to rounding off.

** During the period, Synthetic Products Enterprises Limited subdivided their paid up capital as a result of which the face value per share has decreased from Rs 10 to Rs 5 per share.

5.1.1 Investments include shares with a market value of Rs 28.370 million (2021: Rs. 27.878 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were 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 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 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 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 Honourable Sindh High Court (SHC) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan 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 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, 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, CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh had issued notices to the relevant parties and had ordered that no third party interest on bonus shares issued to the Fund in lieu of its 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 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 period were not withheld by the investee companies.

As at December 31, 2021, the following bonus shares of the Fund have been withheld at the time of declaration of bonus shares:

Name of the Investee Company	(Un-audited) December 31, 2021 Bonus shares		(Audited) June 30, 2021 Bonus shares	
	Number of shares	Market value	Number of shares	Market value
		(Rupees in 000)		(Rupees in 000)
Faysal Bank Limited	46,145	1,061	46,145	783
Hascol Petroleum Limited	1,861	12	1,861	17
Kohinoor Textile Mills Limited	5,348	371	5,348	402
Pakistan State Oil Company Limited	1,999	364	1,999	448
	55,353	1,808	55,353	1,650

5.2 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2021	Market value as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021		total investments of the Fund	net assets of the Fund
		(Rupees in 000)					(%)	
July 2, 2021	3	-	120,000	120,000	-	-	-	-
June 3, 2021	3	-	55,000	55,000	-	-	-	-
May 20, 2021	3	-	180,000	180,000	-	-	-	-
April 22, 2021	6	-	75,000	75,000	-	-	-	-
October 21, 2021	3	-	125,000	75,000	50,000	49,877	4.66%	4.49%
Total		-	555,000	505,000	50,000	49,877	4.66%	4.49%
Carrying value as at December 31, 2021						49,876		
Market value as at June 30, 2021						-		
Carrying value as at June 30, 2021						-		

5.2.1 This carries yield of 9.99% and is due to mature by January 13, 2022.

5.3 Corporate sukuk certificates

Name of the security	Security rating	Profit payments / principal redemp-tions	Maturity date	Profit rate	As at July 1, 2021	Purchases during the period	Matured / disposed off during the period	As at December 31, 2021	Market value as at December 31, 2021	Percentage in relation to	
										Total market value of the investment	Net assets of the Fund
					Number of certificates				(Rupees in 000)	%	
Power generationand distribution											
The Hub Power Company Limited Sukuk (3rd issue) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Quarterly	August 22, 2023	03 Months KIBOR plus base rate of 1.9%	500	-	-	500	51,807	4.84%	4.66%
Mughal Iron & Steel Industries Limited Sukuk Certificates - I (Face value of Rs. 1,000,000 per certificate)	A+, VIS	Quarterly	March 02, 2026	03 Months KIBOR plus base rate of 1.3%	25	-	-	25	25,503	2.38%	2.30%
Total									77,310	7.22%	6.96%
Carrying value as at December 31, 2021									76,085		
Market value as at June 30, 2021									76,085		
Carrying value as at June 30, 2021									76,072		

5.4 Unrealised (diminution) / appreciation on re-measurement of investments 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	1,070,807	1,209,780
Less: carrying value of investments	5.1, 5.2 & 5.3	1,115,720	1,031,768
		(44,913)	178,012

6 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Remuneration of the Management Company	6.1	1,425	1,823
Sindh Sales Tax on remuneration of the Management Company	6.2	185	237
Federal Excise Duty on remuneration of the Management Company	6.3	16,000	16,000
Federal Excise Duty on sales load	6.3	3,733	3,733
Reimbursement of allocated expenses payable	6.4	601	540
Reimbursement of selling and marketing expenses payable	6.5	5,405	6,303
Sales load and transfer load payable		950	852
Sindh Sales Tax on sales load payable		124	111
ADC charges payable including Sindh Sales Tax		27	18
		28,450	29,617

6.1 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 under the following rates:

Rate applicable from July 1, 2021 to December 31, 2021	Rate applicable from July 1, 2020 to June 30, 2021
1.5% of average daily net assets	1.5% of average daily net assets

The remuneration is payable to the Management Company in arrears.

6.2 During the period, an amount of Rs. 1.265 million (December 31, 2020: Rs. 1.346 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%).

6.3 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 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 till June 30, 2016 amounting to Rs 19.733 million (2021: Rs 19.733 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. 0.30 (2021: Re. 0.23) per unit.

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

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

Rate applicable from July 26, 2021 to December 31, 2021	Rate applicable from July 1, 2021 to July 25, 2021	Rate applicable from October 27, 2020 to June 30, 2021
0.20% of average annual net assets	0.15% of average annual net assets	0.15% of average annual net assets

6.5 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.

Accordingly, the Management Company has currently charged selling and marketing expenses at following rates:

Rate applicable from August 23, 2021 to December 31, 2021	Rate applicable from July 1, 2021 to August 22, 2021	Rate applicable from January 26, 2021 to June 30, 2021
1.80% of average daily net assets	1.75% of average daily net assets	1.5% of average daily net assets

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
7	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**		------- (Rupees in 000) -------	
	Fee payable	7.1	130	287

7.1 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.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
8	**ACCRUED EXPENSES AND OTHER LIABILITIES**		---------Rupees in '000---------	
	Auditors' remuneration payable		432	604
	Provision for Sindh Workers' Welfare Fund	8.1	-	25,552
	Brokerage charges payable		-	95
	Settlement charges payable		194	49
	Withholding tax payable		10	5,945
	Capital gain tax payable		57	270
	Legal and professional charges payable		65	122
	Printing charges payable		14	38
	Others		171	60
			943	32,735

8.1 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 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. 25.552 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.

9 CONTINGENCIES AND COMMITMENTS

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

10 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.

11 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. The Fund has not recorded any tax liability as the Fund has incurred a net loss 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.

12 (LOSS) / EARNINGS PER UNIT

(Loss) / 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.

13 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund based on the current period is 4.14% (December 31, 2020: 4.25%) which includes 0.23% (December 31, 2020: 0.78%) representing Government Levies on the Fund such as sales taxes and the annual fee to the SECP. 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 "open ended asset allocation" scheme.

14 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

14.1 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.

14.2 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.

14.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

14.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

14.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

14.6 The details of transactions with related parties / connected persons during the period are as follows:

	---------- (Un-audited) ---------- Half year ended	
	December 31, 2021	December 31, 2020
	--------- Rupees in '000 ---------	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	9,733	10,357
Sindh Sales Tax on remuneration of the Management Company	1,265	1,346
Reimbursement of allocated expenses	1,248	816
Reimbursement of selling and marketing expenses	11,575	10,357
Sales load and Sindh Sales Tax on sales load	2,388	7,020
ADC charges including Sindh sales tax	11	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	1,153	1,195
Sindh Sales Tax on remuneration of the Trustee	150	155
Settlement charges	37	92
National Bank of Pakistan - parent of the Management Company		
Shares sold: Nil shares (December 31, 2020: 39,000 shares)	-	1,366
National Clearing Company of Pakistan - common directorship		
NCCPL charges	168	42
Pakistan Stock Exchange - common directorship *		
Listing fee	-	25
Employees of the Management Company		
Units issued / transferred in: 252,690 units (December 31, 2020: 403,651 units)	4,242	6,553
Units redeemed / transferred out: 311,740 units (December 31, 2020: 228,240 units)	5,200	3,662

	---------- (Un-audited) ---------- Half year ended	
	December 31, 2021	December 31, 2020
	--------- Rupees in '000 ---------	
Portfolios managed by the Management Company		
Units issued / transferred in: Nil units (December 31, 2020: 6,364,026 units)	-	106,068
Units redeemed / transferred out: 3,249,376 units (December 31, 2020: Nil units)	55,143	-
Market treasury bills sold	-	73,464
International Steels Limited - common directorship		
Shares sold: 26,899 shares (December 31, 2020: 85,300 shares)	1,955	5,963
Dividend income	188	-
Gul Ahmed Textile Mills Limited - common directorship		
Shares sold: 40,500 shares (December 31, 2020: 225,000 shares)	2,006	7,747
Dividend income	-	-
Fauji Fertilizer Company Limited - common directorship		
Shares purchased: 38,500 shares (December 31, 2020: 42,000 shares)	4,020	4,616
Shares sold: Nil shares (December 31, 2020: 119,500 shares)	-	12,939
Dividend income	2,128	1,498
The Hub Power Company Limited - common directorship *		
Shares sold: Nil shares (December 31, 2020: 102,600 shares)	-	8,153
Profit on sukuk certificates	-	2,356
Dividend income	-	1,880
Telenor Microfinance Bank Limited - common directorship		
Profit on bank balance	-	24
Khushhali Microfinance Bank Limited - common directorship		
Profit on bank balance	-	24
BankIslami Pakistan Limited - common directorship		
Profit on bank balance	20	26
Taurus Securities Limited - Subsidiary of Parent of the Management Company		
Brokerage paid	20	46

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
14.7	**Amounts outstanding as at period / year end are as follows:**	--------- Rupees in '000 --------	
	NBP Fund Management Limited - Management Company		
	Remuneration of the Management Company	1,425	1,823
	Sindh Sales Tax on remuneration of the Management Company	185	237
	Federal excise duty on sales load	3,733	3,733
	Federal excise duty on remuneration of the Management Company	16,000	16,000
	Reimbursement of allocated expenses payable	601	540
	Reimbursement of selling and marketing expenses payable	5,405	6,303
	Sales and transfer load payable	950	852
	Sindh Sales Tax on sales load payable	124	111
	ADC charges payable including Sindh Sales Tax	27	18

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	--------- Rupees in '000 --------	
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	185	204
Sindh Sales Tax on remuneration of the Trustee	24	26
Settlement charges payable	138	21
Security deposit	100	100
National Clearing Company of Pakistan - common directorship		
Security deposit	2,750	2,750
NCCPL charges payable	56	28
National Bank of Pakistan - parent of the Management Company		
Bank balances	1,770	1,648
International Steels Limited - common directorship		
Shares held: Nil shares (2021: 26,899 shares)	-	2,513
Gul Ahmed Textile Mills Limited - common directorship		
Shares held: 227,772 shares (2021: 268,272 shares)	10,719	13,609
Fauji Fertilizer Company Limited - common directorship		
Shares held: 345,300 (2021: 306,800 shares)	34,620	32,551
The Hub Power Company Limited - common directorship *		
Ordinary shares held: Nil (2021: 620,079) shares	-	49,402
Mark-up accrued on sukuks	-	512
Sukuks held	-	50,997
BankIslami Pakistan Limited - common directorship		
Bank balances	590	1,995
Profit receivable on bank balances	-	54
Employees of the Management Company		
Investment held in the Fund: 87,485 units (2021: 177,816 units)	1,458	3,003
Portfolios managed by the Management Company		
Units held: 1,831,715 (2021: 5,081,091) units	30,535	85,817
Ronak Iqbal Lakhani - unit holder with more than 10% holding		
Units held: 9,913,583 (2021: 9,913,583) units	165,262	167,435
Tapal Tea (Private) Limited - unit holder with more than 10% holding **		
Units held: 6,785,520 (2021: Nil) units	113,117	-
Telenor Microfinance Bank Limited - common directorship		
Bank balance	3	3
Profit receivable on bank balance	-	43
Khushhali Microfinance Bank Limited - common directorship		
Bank balance	14	13
Profit receivable on bank balance	-	56

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	--------- Rupees in '000 --------	
Taurus Securities Limited - Subsidiary of Parent of the Management Company		
Brokerage payable	10	-
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: 20 (June 30, 2021: 20) units***	-	-

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

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

*** Nil figures due to rounding off

15 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 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.

15.1 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
At fair value through profit or loss	Rupees in '000			
Listed equity securities	943,620	-	-	943,620
Government Securities - Market Treasury Bills	-	49,877	-	49,877
Corporate sukuk certificates	-	77,310	-	77,310
	943,620	127,187	-	1,070,807

	Audited			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	Rupees in '000			
Listed equity securities	1,133,695	-	-	1,133,695
Government Securities - Market Treasury Bills	-	-	-	-
Corporate sukuk certificates	-	76,085	-	76,085
	1,133,695	76,085	-	1,209,780

16 GENERAL

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

17 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

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