

**NBP
INCOME OPPORTUNITY
FUND**

QUARTERLY REPORT
MARCH 31, 2022

MISSION STATEMENT

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

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

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

Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
HBL Microfinance Bank Limited
Mobilink Microfinance Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

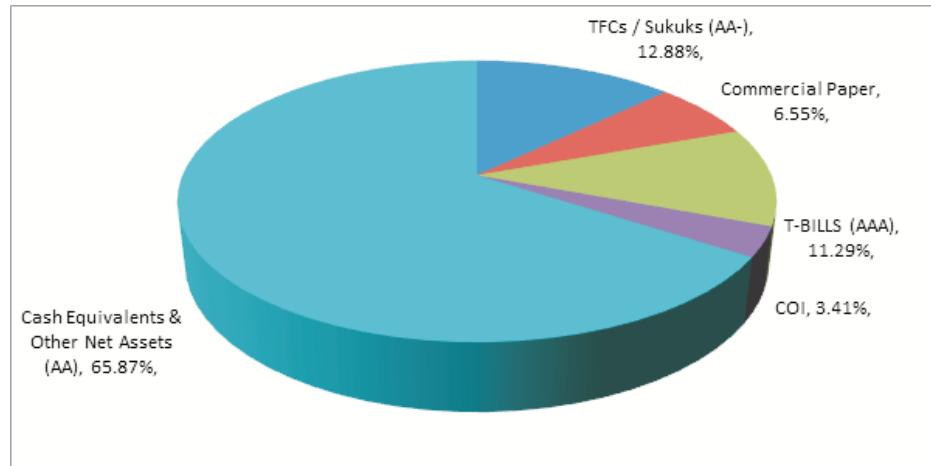
The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of NBP Income Opportunity Fund (NIOF) for the period ended March 31, 2022.

Fund's Performance

NIOF is categorized as an Income Scheme and has been awarded stability rating of 'A (f)' by PACRA. The trading activity in corporate debt securities remained thin during the period. The cumulative traded value stood at Rs. 7.6 billion versus Rs. 19.8 billion in the same period last year. During 9MFY22, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the policy rate by 2.75% to arrive at 9.75%. The MPC, monitoring the domestic economic conditions and high degree of uncertainty in the outlook for international commodity prices & global financial conditions, took the much needed and timely action to safeguard the macroeconomic stability. While the business sentiment and overall market activity has improved, the downside risk still persists due to the ongoing Russia-Ukraine conflict carrying adverse impacts - posing risks and challenges to the current account deficit (CAD) and inflation expectations. Furthermore, there has been a sharp decline in the SBP's foreign exchange reserves to USD 12 bn largely due to elevated CAD & debt repayments. Deteriorating macros coupled with heightened political uncertainty also contributed to a 16% depreciation in the rupee and a sharp rise in domestic secondary market yields. Sovereign yields also responded to inflation & external account outlook. During the period, SBP held nineteen (19) T-Bill auctions realizing a total of Rs. 11.69 trillion. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 454 basis points, 484 basis points and 464 basis points, respectively. Similarly, PIB yields increased by 316 bps, 253 bps, and 194 bps for 3-year, 5-year, and 10-year tenures, respectively. There were nine (9) PIB auctions held where an amount of Rs. 1.18 trillion was realized.

The size of NBP Income Opportunity Fund has increased from Rs. 7,954 million to Rs. 8,789 million during the period (a growth of 10%). During the period, the unit price of the Fund has increased from Rs. 10.7671 on June 30, 2021 to Rs. 11.4933 on March 31, 2022, thus showing a return of 9.0% as compared to the benchmark return of 9.6% 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 a one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 812.232 million during the period. After deducting total expenses of Rs. 144.611 million, the net income is Rs. 667.621 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIOF:



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: **April 27, 2022**

Place: Karachi.

ڈائریکٹر رپورٹ

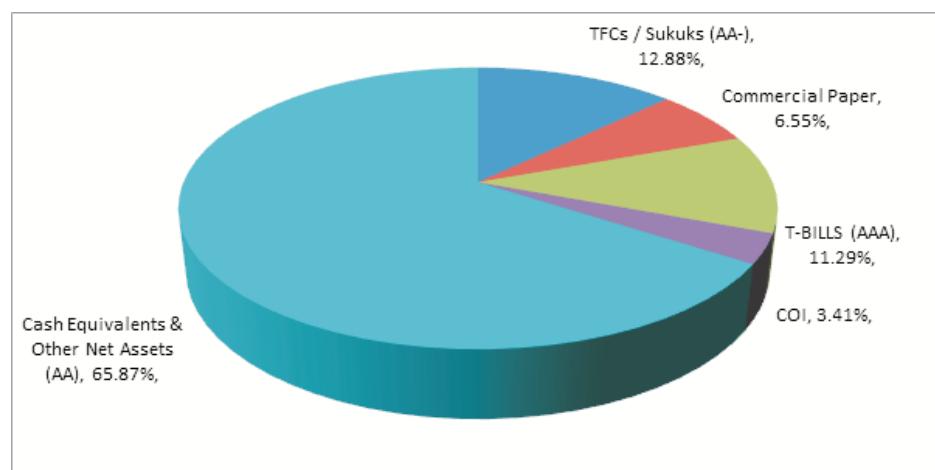
NBP فنڈ میجمنٹ لیمیٹڈ کے بورڈ آف ڈائریکٹر 31 مارچ 2022 کو ختم ہونے والی تیری نومہی کے لئے NBP اکم پر چونی فنڈ (NIOF) کے غیر جانش شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کا رکرداری

NIOF کو ایک اکم اسکیم کا درجہ دیا گیا ہے اور PACRA کی طرف سے 'A' کی منظہم رینگ دی گئی ہے۔ زیادہ مدت کے دوران کا پوریٹ ڈیبیٹ سیکوریٹیز میں تجارتی سرگرمی کم رہی۔ مجموعی تجارتی قیمت گزشتہ سال کی اسی مدت میں 19.8 ہزار روپے کے برلے 7.6 ہزار روپے پر رہی ہے۔ 9MFY22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے چھ ماہی ہر پالیسی کمٹی (MPC) کے اجلس متعارف کیے اور پالیسی کی شرح میں 2.75pps کا اضافہ کر کے 9.75% تک پہنچایا۔ MPC نے ملکی اقتصادی حالات اور بین الاقوامی اجتناس کی قیتوں اور عالمی مالیاتی حالات کے تاثر میں اعلیٰ درجے کی غیر یقینی صورتحال کو دیکھتے ہوئے مبکر و اکنامک استحکام کے تخطیج کے لیے انتہائی ضروری اور بروقت اقدام کیا۔ اگرچہ کار و باری حالات اور مارکیٹ کی مجموعی سرگرمی میں بہتری آئی ہے، روس-یوکرین کے جاری تازع مکے منفی اثرات کے باعث کرنٹ اکاؤنٹ خارجے (CAD) اور افراط از رکی توقات کے لیے خطرات اور چیلنجوں کا خطرہ اب بھی برقرار ہے۔ مزید برآں، SBP کے غیر ملکی زر مبادلہ کے ذخیر میں شدید کمی سے 12 ہزار امریکی ڈالر ہو گئے جس کی وجہ پر ہستے ہوئے CAD اور قرض کی ادائیگیوں میں اضافہ ہے۔ بڑھتی ہوئی سیاسی غیر یقینی صورتحال کے ساتھ خراب مبکر و زنے روپیہ کی قدر میں 16% فیصد کی اور مقامی ٹانوی میڈی کی شرح منافع میں تیزی سے اضافہ کیا۔ سو ریکن پیداوار نے افراط از را یہ ورنہ اکاؤنٹ کے نقطہ نظر کا بھی جواب دیا۔ اس مدت کے دوران، SBP نے انس (19) ہزار بیلیا میوں کا انعقاد کیا جس میں کل 11.69 ہزار روپے کی مصوبی ہوئی۔ 3-ماہ، 6-ماہ اور 12-ماہ کی مدت کے لیے T-Bills کی شرح منافع میں بالترتیب 454 پاؤنٹس، 484 پاؤنٹس اور 464 پاؤنٹس کا اضافہ ہوا۔ اسی طرح، 3 سال، 5 سال، 10 سال کی متوں کے لئے پی آئی بی پیداوار میں بالترتیب 253 bps، 316 bps اور 194 bps کا اضافہ ہوا۔ نو (9) پی آئی بی بیلیا میاں متعارف کی گئیں جہاں 1.18 ہزار روپے کی قم حاصل ہوئی۔

موجودہ مدت کے دوران NBP اکم پر چونی فنڈ (NIOF) کا سائز 9,542 ہزار روپے سے بڑھ کر 9,789 ہزار روپے ہو گیا ہے جو 10% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.7671 روپے سے بڑھ کر 11.4933 ہزار روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے ٹیک مارک کے مقابلے میں 9.0% کا منافع درج کیا۔ فنڈ کی یکارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ و رکرز یونیورسٹی فنڈ کی پروپرٹی ٹریویٹر پورس کردی گئی۔ اس پوریٹ کے رویوں کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے موجودہ مدت کے دوران 12.232 ہزار روپے کی مجموعی آمدی کمائی ہے۔ 144.611 ہزار روپے کے اخراجات متہا کرنے کے بعد خالص آمدی 667.621 ہزار روپے ہے۔ درج ذیل چارٹ NIOF کی ایسٹ ایمیکشن اور اس کے ذیلی اٹاؤں کے تمام درجہوں کی پیاٹش شدہ اوسط کریٹریٹ رینگ پیش کرتا ہے:



اعلمہ رشکر

یورڈ اس موقع سے فائدہ اٹھاتے ہوئے میجنت کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکر یاد کرتا ہے۔ یکورٹیٹر اینڈ آئچیشن آف پاکستان اور اسٹائیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مغلص رویہ کا بھی اعتراف کرتا ہے۔

یورڈ اپنے اسٹاف اور ٹرینر کی طرف سے سخت محنت، گلن اور عزم کے مظاہرے پر اپنا خراج تھیں جسیں بھی ریکارڈ پر لانا چاہتا ہے۔

میجانب یورڈ آف ڈائریکٹر
NBP میجنت اینڈ

ڈائریکٹر

چیف ایگزیکیوٹو

تاریخ: 27 اپریل 2022ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances			
Investments	4	6,756,864	5,048,428
Receivable against margin trading system	5	3,000,344	2,822,179
Mark-up accrued and dividend receivable		-	169,506
Receivable against sale of units		61,873	48,799
Deposits, prepayments and other receivables		3,127	49,272
Total assets		12,653	14,001
		9,834,861	8,152,185
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company			
Payable to Central Depository Company of Pakistan Limited - Trustee		65,667	71,517
Payable to the Securities and Exchange Commission of Pakistan		636	632
Payable against redemption of units		1,557	1,400
Payable against purchase of investments		2,109	19,370
Accrued expenses and other liabilities		972,176	105,646
Total liabilities		4,135	198,565
NET ASSETS		8,788,581	7,953,620
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		8,788,581	7,953,620
Contingencies and commitments	11		
-----Number of units-----			
Number of units in issue		764,669,270	738,698,845
-----Rupees-----			
Net asset value per unit		11.4933	10.7671

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2022

	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
INCOME	Note ----- Rupees in '000-----			
Return / mark-up on:				
- bank balances and term deposits	424,928	158,780	142,078	73,732
- term finance certificates and sukuks	112,107	131,427	28,677	41,986
- government securities	103,422	42,242	36,915	20,478
- certificate of investment	1,449	-	1,449	-
- letter of placement and commercial paper	40,094	3,016	23,952	90
- margin trading system	4,059	18,716	-	10,806
Other Income	5,820	-	4,181	-
Income on spread transactions	27,591	58,250	837	39,334
Dividend income on spread transactions	9,355	22,321	-	9,171
Net gain / (loss) on sale of investments	21,788	(12,881)	16,252	(1,945)
Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	9,486	27,834	(6,991)	1,965
Total income	760,099	449,705	247,350	195,617
EXPENSES				
Remuneration of Management Company	44,516	28,273	13,038	13,405
Sindh Sales Tax on remuneration of the Management Company	5,787	3,676	1,695	1,743
Reimbursement of operational expenses to the Management Company	9,729	5,468	2,797	2,713
Reimbursement of Selling and marketing expense	54,483	32,619	15,663	15,190
Remuneration of trustee	5,837	3,495	1,678	1,628
Sindh Sales Tax on remuneration of the Trustee	759	454	218	211
Annual fee to the Securities and Exchange Commission of Pakistan	1,557	932	448	434
Securities transaction cost	4,727	14,902	74	7,624
Settlement and bank charges	1,047	2,844	214	1,450
Auditors' remuneration	600	538	197	109
Legal and professional charges	774	175	433	27
Fund rating fee	416	376	64	123
Annual listing fee	22	21	7	7
Printing and other charges	116	89	74	5
Impairment against Non-performing assets	14,241	-	14,241	-
Total expenses	144,611	93,862	50,841	44,669
Net income from operating activities	615,488	355,843	196,509	150,948
Reversal / (Provision) for Sindh Workers' Welfare Fund	52,133	(7,117)	-	(3,019)
Net income for the period before taxation	667,621	348,726	196,509	147,929
Taxation	-	-	-	-
Net income for the period after taxation	667,621	348,726	196,509	147,929
Earnings per unit				
Allocation of net income for the period				
Net income for the period after taxation	667,621	348,726	196,509	147,929
Income already paid on units redeemed	(210,302)	(38,562)	(87,950)	(24,476)
	457,319	310,164	108,559	123,453
Accounting income available for distribution:				
- Relating to capital gains	31,274	14,953	9,261	20
- Excluding capital gains	426,045	295,211	99,298	123,433
	457,319	310,164	108,559	123,453

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2022

	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees in '000			
Net income for the period after taxation	667,621	348,726	196,509	147,929
Total comprehensive income for the period	667,621	348,726	196,509	147,929

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months ended March 31,			2021		
	2022			2021		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	7,441,129	512,491	7,953,620	3,496,668	503,749	4,000,417
Issue of 995,868,300 units (2021: 775,481,639 units)						
- Capital value (at net asset value per unit at the beginning of the period)	10,722,614	-	10,722,614	8,340,305	-	8,340,305
- Element of income	269,773	-	269,773	320,942	-	320,942
Total proceeds on issuance of units	10,992,387	-	10,992,387	8,661,247	-	8,661,247
Redemption of 969,897,875 units (2021: 303,634,060 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(10,442,987)	-	(10,442,987)	(3,265,584)	-	(3,265,584)
- Amount paid out of element of income	(171,758)	(210,302)	(382,060)	(90,741)	(38,562)	(129,303)
- Relating to 'Net income for the period after taxation'	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-	-	-
Total payments on redemption of units	(10,614,745)	(210,302)	(10,825,047)	(3,356,325)	(38,562)	(3,394,887)
Total comprehensive income for the period	-	667,621	667,621	-	348,726	348,726
Net assets at end of the period	7,818,771	969,810	8,788,581	8,801,590	813,913	9,615,503
Undistributed income brought forward						
- Realised	481,867			503,795		
- Unrealised	30,624			(46)		
	512,491			503,749		
Accounting income available for distribution						
- Relating to capital gain	31,274			14,953		
- Excluding capital gains	426,045			295,211		
	457,319			310,164		
Undistributed income carried forward	969,810			813,913		
Undistributed income carried forward						
- Realised	960,324			786,079		
- Unrealised	9,486			27,834		
	969,810			813,913		
Net assets value per unit at beginning of the period			- (Rupees) -			- (Rupees) -
			10,7671			10,7550
Net assets value per unit at end of the period			11,4933			11,3954

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

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

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months ended	
	31 March 2022	31 March 2021
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	667,621	348,726
Adjustments:		
Net unrealised (appreciation) in the fair value of investments classified as financial assets at 'fair value through profit or loss' - net	(9,486)	(27,834)
Net (gain) on sale of investment	(49,379)	(45,369)
(Reversal) / Provision for Sindh Workers' Welfare Fund	(52,133)	7,117
	556,623	282,640
Decrease / (Increase) in assets		
Receivable against Marginal Trading System	169,506	(35,710)
Investments - net	(119,300)	(39,661)
Deposits, prepayments and other receivables	1,348	(963)
Dividend and profit receivable	(13,074)	(29,539)
	38,480	(105,873)
(Decrease) / increase in liabilities		
Payable to Management Company	(5,850)	16,812
Payable to Trustee	4	405
Payable to Securities and Exchange Commission of Pakistan	157	(32)
Payable against purchase of investments	972,176	297,944
Accrued expenses and other liabilities	(49,378)	(32,872)
	917,109	282,257
Net cash generated from operating activities	1,512,212	459,024
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts against issue of units	11,038,532	8,675,681
Net payments against redemption of units	(10,842,308)	(3,355,986)
Net cash used in financing activities	196,224	5,319,695
Net increase in cash and cash equivalents during the year	1,708,436	5,778,719
Cash and cash equivalents at beginning of the period	5,048,428	1,151,141
Cash and cash equivalents at end of the period	6,756,864	6,929,860

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

NBP Income Opportunity 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 approved by the Securities and Exchange Commission of Pakistan (SECP) on January 30, 2006 in accordance with the Non-Banking 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 November 3, 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 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from February 11, 2006 and are transferable and redeemable by surrendering them to the Fund.

The Fund is an open-ended mutual fund classified as an '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 are transferable and can be redeemed by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency (PACRA) has 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 "A(f)" dated October 18, 2021 (2021: "A(f)" on October 16, 2020).

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2022.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. Bank Balances

Current Accounts
Saving Accounts

	Un-Audited Mar 31, 2022	Audited June 30, 2021
Note	----- Rupees in '000 -----	
	70	7,220
4.1	6,756,794	5,041,208
	<u>6,756,864</u>	<u>5,048,428</u>

- 4.1** These accounts of the Fund carry profit rates ranging from 10.25% to 12.5% (2021: 6.25% to 12.50%) per annum.

		Note	Un-Audited Mar 31, 2022	Audited June 30, 2021
			----- Rupees in '000 -----	
5. INVESTMENTS				
At fair value through profit or loss				
Equity securities	5.1		-	-
Equity securities (spread transactions)	5.2		-	961,248
Government securities - Market Treasury Bills	5.3		992,096	29,725
Term finance certificates	5.4		308,190	816,660
Term finance certificates - non-performing securities	5.5		85,679	-
Corporate sukuk certificates	5.6		738,534	980,347
Corporate sukuk certificates - non-performing securities	5.7		-	
Commercial papers	5.8		575,845	-
Certificate of Investments	5.9		300,000	-
Future stock contracts			-	34,199
			3,000,344	2,822,179

5.1 Equity securities - listed

Name of the investee company	Number of shares				Market value / Carrying value as at March 31, 2022	Investment as a percentage of		
	As at July 1, 2021	Purchased during the period	Sold during the period	As at March 31, 2022		Net assets	Market value of total investments	Paid-up capital of investee company
----- Number of shares -----								

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

PERSONAL GOODS

Azgard Nine Limited - Non-voting	308	-	308	-	-	-	-
Carrying value before mark to market as at March 31, 2022							
Accumulated impairment							

5.2 Equity securities - listed (spread transactions)

Name of the Investee Company	Number of shares				Market value as at March 31, 2022	Percentage in relation to		
	As at July 01, 2021	Purchased during the period	Sold during the period	As at March 31, 2022		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
----- Number of shares -----								

AUTOMOBILE ASSEMBLER

Pak Suzuki Motor Company Limited of Pakistan Limited	74,000	48,500	122,500	-	-	-	-
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CEMENT

D.G. Khan Cement Company Limited	764,500	1,031,000	1,795,500	-	-	-	-
Fauji Cement Company Limited	432,000	241,000	673,000	-	-	-	-
Maple Leaf Cement Factory Limited	1,436,500	712,000	2,148,500	-	-	-	-
Lucky Cement Limited	-	348,000	348,000	-	-	-	-
Pioneer Cement Limited	582,500	1,436,500	2,019,000	-	-	-	-
Cherat Cement Company Limited	225,000	135,000	360,000	-	-	-	-

COMMERCIAL BANKS

Habib Bank Limited	39,000	-	39,000	-	-	-	-
The Bank of Punjab	1,500	35,000	36,500	-	-	-	-

Name of the Investee Company	Number of shares				Market value as at March 31, 2022	Percentage in relation to		
	As at July 01, 2021	Purchased during the period	Sold during the period	As at March 31, 2022		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
Rupees in '000								----- % -----
FERTILIZER								
Engro Corporation Limited	-	500	500	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	527,500	820,500	1,348,000	-	-	-	-	-
POWER GENERATION AND DISTRIBUTION								
K-Electric Limited	282,000	187,000	469,000	-	-	-	-	-
Kot Addu Power Company Limited	860,000	336,500	1,196,500	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES								
Oil and Gas Development Company Limited	524,500	3,073,500	3,598,000	-	-	-	-	-
Pakistan Petroleum Limited	60,000	545,000	605,000	-	-	-	-	-
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	843,500	1,538,500	2,382,000	-	-	-	-	-
Sui Northern Gas Pipelines Limite	713,000	1,827,500	2,540,500	-	-	-	-	-
FOOD AND PERSONAL CARE PRODUCTS								
The Organic Meat Company Limited	-	849,500	849,500	-	-	-	-	-
Unity Food Limited	-	14,245,500	14,245,500	-	-	-	-	-
REFINERY								
Cnergyco PK Limited (Formerly Byco Petroleum Pakistan Limited)	7,018,000	47,184,500	54,202,500	-	-	-	-	-
CABLE AND ELECTRICAL GOODS								
Pak Elektron Limited	791,000	2,960,000	3,751,000	-	-	-	-	-
Waves Singer Pakistan Limited	-	2,537,000	2,537,000	-	-	-	-	-
PHARMACEUTICALS								
The Searle Company Limited	45,000	169,000	214,000	-	-	-	-	-
TEXTILE COMPOSITE								
Nishat Mills Limited	401,500	329,000	730,500	-	-	-	-	-
Nishat Chunian Limite	1,188,000	2,955,000	4,143,000	-	-	-	-	-
TECHNOLOGY AND COMMUNICATION								
Avanceon Limited	-	2,372,500	2,372,500	-	-	-	-	-
Pakistan Telecommunication Company Limited	588,500	95,500	684,000	-	-	-	-	-
GLASS & CERAMICS								
Tariq Glass Industries Limite	140,500	25,500	166,000	-	-	-	-	-
TRANSPORT								
Pakistan International Bulk Terminal Limited	2,577,000	5,717,000	8,294,000	-	-	-	-	-

Name of the Investee Company	Number of shares				Market value as at March 31, 2022	Percentage in relation to			
	As at July 01, 2021	Purchased during the period	Sold during the period	As at March 31, 2022		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company	
Rupees in '000									
----- % -----									
ENGINEERING									
Mughal Iron and Steel industries Limited	40,500	393,000	433,500	-	-	-	-	-	
Amreli Steels Limited	42,000	29,000	71,000	-	-	-	-	-	
International Industries Limite	100,500	495,000	595,500	-	-	-	-	-	
Aisha Steel Limited	459,500	513,500	973,000	-	-	-	-	-	
CHEMICAL									
Engro Polymer & Chemicals Limited	139,500	163,500	303,000	-	-	-	-	-	
Lotte Chemical Pakistan Limited	23,500	846,500	870,000	-	-	-	-	-	
Descon Oxychem Limited	-	5,000	5,000	-	-	-	-	-	
Total									
Carrying value as at March 31, 2022									
Market value as at June 30, 2021						961,248			
Carrying value as at June 30, 2021						994,377			

5.3 Government Securities - Market Treasury Bills

Issue Date	Tenor (In Months)	Face value				Market value / Carrying value as at March 31, 2022	Investment as a percentage of			
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022		Net assets	Market value of total investments		
Rupees in '000										
----- % -----										
August 27, 2020	12	-	105,000	105,000	-	-	-	-		
March 25, 2021	6	-	660,000	660,000	-	-	-	-		
May 6, 2021	6	-	2,825,000	2,825,000	-	-	-	-		
May 20, 2021	3	20,000	300,000	320,000	-	-	-	-		
June 3, 2021	3	10,000	-	10,000	-	-	-	-		
June 3, 2021	6	-	1,250,000	1,250,000	-	-	-	-		
July 15, 2021	3	-	500,000	500,000	-	-	-	-		
July 29, 2021	3	-	600,000	600,000	-	-	-	-		
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 9, 2021	6	-	500,000	500,000	-	-	-	-		
September 23, 2021	3	-	725,000	725,000	-	-	-	-		
October 21, 2021	3	-	200,000	200,000	-	-	-	-		
November 4, 2021	3	-	1,614,000	1,614,000	-	-	-	-		
December 2, 2021	3	-	750,000	750,000	-	-	-	-		
December 16, 2021	3	-	1,750,000	1,750,000	-	-	-	-		
February 10, 2022	3	-	1,980,000	980,000	1,000,000.00	992,096	11.29	33.07		
December 30, 2021	3	-	1,750,000	1,750,000	-	-	-	-		

Carrying value before mark to market as at March 31, 2022										

992,096										

992,027										

5.4 Term finance certificates

Name of the security	Profit payments / principal redemptions	Maturity date	As at July 1, 2021	Purchases during the period	Sales / redemptions during the period	As at March 31, 2022	Market value as at March 31, 2022	Percentage in relation to	
			Number of certificates			(Rupees in '000)		%	Net assets of the Fund
COMMERCIAL BANKS									
JS Bank Limited (Face value of Rs. 4,992 per certificate)	Semi-Annually	December 14, 2023	60,000	-	60,000	-	-	0.00%	0.00%
JS Bank Limited - (2nd Issue) (Face value of Rs. 99,880 per certificate)	Semi-Annually	December 29, 2024	1,000	-	500	500	50,220	0.57%	1.67%
The Bank of Punjab - (2nd Issue) (Face value of Rs. 99,900 per certificate)	Semi-Annually	April 23, 2028	1,500	-	100	1,400	139,825	1.59%	4.66%
INVESTMENT COMPANIES									
Jahangir Siddiqui and Company Limited - (5th issue) (Face value of Rs. 2,500 per certificate)	Semi-Annually	July 18, 2022	23,340	-	-	23,340	41,585	0.47%	1.39%
Jahangir Siddiqui and Company Limited - (6th Issue) (Face value of Rs. 3,333 per certificate)	Semi-Annually	March 6, 2023	30,000	-	-	30,000	76,560	0.87%	2.55%
MISCELLANEOUS									
Kashf Foundation - PPTFC (Face value of Rs. 833,333 per certificate)	Quarterly	September 30, 2023	20	-	20	-	-	0.00%	0.00%
Total							308,190	3.51%	10.27%
Carrying value as at March 31, 2022							304,057		
Market value as at June 30, 2021							816,660		
Carrying value as at June 30, 2021							840,853		

5.5 Term finance certificates - Non Performing

Name of the security	Profit payments / principal redemptions	Maturity date	As at July 1, 2021	Purchases during the period	Sales / redemptions during the period	As at March 31, 2022	Market value as at March 31, 2022	Percentage in relation to	
			Number of certificates			(Rupees in '000)		%	Net assets of the Fund
CEMENT									
Dewan Cement Limited (Face value of Rs. 5,000 per certificate)	-	January 17, 2022	30,000	-	-	30,000	-	-	-
CHEMICAL									
Agritech Limited V (Face value of Rs. 5,000 per certificate)	-	January 1, 2025	6,464	-	-	6,464	-	-	-
Agritech Limited I (Face value of Rs. 4,995 per certificate)	-	November 29, 2025	30,000	-	-	30,000	-	-	-

Name of the security	Profit payments / principal redemptions	Maturity date	As at July 1, 2021	Purchases during the period	Sales / redemptions during the period	As at March 31, 2022	Market value as at March 31, 2022	Percentage in relation to	
			Number of certificates			(Rupees in '000)	%	Net assets of the Fund	Total market value of the investment
LEASING COMPANIES									
Saudi Pak Leasing Company Limited - II (Face value of Rs. 2,755 per certificate)	-	March 13, 2013	15,000	-	-	15,000	-	-	-
TECHNOLOGY & COMMUNICATION									
Worldcall Telecom Limited - III (Face value of Rs. 1,666 per certificate)	Quarterly	October 7, 2013	45,000	-	-	45,000	-	-	-
TEXTILE COMPOSITE									
Azgard Nine Limited III (Face value of Rs. 2,168 per certificate)	-	December 4, 2025	50,000	-	50,000	-	-	-	-
Azgard Nine Limited V (PPTFC) (Face value of Rs. 5,000 per certificate)	-	March 31, 2021	16,436	-	16,436	-	-	-	-
Azgard Nine Limited VII (PPTFC) (Face value of Rs. 5,000 per certificate)	-	29-Apr-31	-	16,095	-	16,095	-	-	-
Azgard Nine Limited VIII (PPTFC) Zero Coupon (Face value of Rs. 5,000 per certificate)	-	29-Apr-31	-	39,093	-	39,093	-	-	-
MISCELLANEOUS									
PACE Pakistan Limited (Face value of Rs. 4,994 per certificate)	-	February 15, 2017	30,000	-	-	30,000	-	-	-
New Allied Electronic Industries (Private) Limited (Face value of Rs. 2,114 per certificate)	-	November 15, 2022	15,000	-	-	15,000	-	-	-
COMMERCIAL BANKS									
Silk Bank Limited (Face value of Rs. 4,997 per certificate)	Semi-Annually	August 10,2025	20,000	-	-	20,000	85,679	-	-
Total							85,679	-	-
Carrying value as at March 31, 2022							-	-	-
Market value as at June 30, 2021							-	-	-
Carrying value as at June 30, 2021							-	-	-

5.5.1 This represents investment in privately placed term finance certificates. 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.

5.6 Corporate Sukuk Certificates

Name of the security	Profit payments / principal redemp-tions	Maturity date	As at July 1, 2021	Purchases during the period	Sales / redemptions during the period	As at March 31, 2022	Market value as at March 31, 2022	Percentage in relation to		
								Number of certificates	(Rupees in '000)	Net assets of the Fund
COMMERCIAL BANKS										
Meezan Bank Limited Sukuk IV (Face value of Rs. 1,000,000 per certificate)	Semi-Annually	December 16, 2031	-	85	85	-	-	0.00%	0.00%	
CEMENT										
Javedan Corporation Limited Sukuk I (Face value of Rs. 83,333 per certificate)	Semi-Annually	October 4, 2026	1,000	-	600	400	32,875	0.37%	1.10%	
POWER GENERATION & DISTRIBUTION										
K-Electric Limited - Sukuk V (Face value of Rs. 5,000 per certificate)	Quarterly	August 3, 2027	80,000	-	9,000	71,000	362,526	4.12%	12.08%	
The Hub Power Company Limited (3rd Issue) (related party) (Face value of Rs. 100,000 per certificate)	Quarterly	August 22, 2023	1,000	-	-	1,000	77,719	0.88%	2.59%	
TECHNOLOGY AND COMMUNICATION										
TPL Trakker Limited Sukuk I (Face value of Rs. 1,000,000 per certificate)	Semi-Annually	March 30, 2026	50	-	50	-	-	-	-	
TEXTILE COMPOSITE										
Masood Textile Mills Limited (Face value of Rs. 5,000 per certificate)	Quarterly	December 17, 2024	1,000	-	1,000	-	-	-	-	
MISCELLANEOUS										
Hub Power Holding Limited (related party) (Face value of Rs. 100,000 per certificate)	Semi-Annually	November 12, 2025	2,000	-	-	2,000	189,899	2.16%	6.33%	
Shakarganj Food Products Limited (Face value of Rs. 850,000 per certificate)	Quarterly	July 10, 2024	70	-	-	70	50,515	0.57%	1.68%	
Albaraka Bank Limited Sukuk II (Face value of Rs. 1,000,000 per certificate)	Semi-Annually	48204	-	25	-	25	25,000	0.28%	0.83%	
Total							738,534	8.40%	24.61%	
Carrying value as at March 31, 2021							733,250			
Market value as at June 30, 2021							980,347			
Carrying value as at June 30, 2021							926,602			

5.6 Corporate Sukuk Certificates - Non Performing

Name of the security	Profit payments / principal redemp-tions	Maturity date	As at July 1, 2021	Purchases during the period	Sales / redemptions during the period	As at March 31, 2022	Market value as at March 31, 2022	Percentage in relation to		
								Number of certificates	(Rupees in '000)	Net assets of the Fund
New Allied Electronic Industries (Private) Limited II - Sukuk (Note 5.6.1)										
(Face value of Rs. 4,905 per certificate)	-	December 3, 2025	9,000	-	-	9,000	-	-	-	
Eden Housing Limited 2nd (Issue) (Note 5.6.1)										
(Face value of Rs. 984 per certificate)	-	September 29, 2025	9,200	-	-	9,200	-	-	-	
Total										
Carrying value as at March 31, 2021							-			
Market value as at June 30, 2021							-			
Carrying value as at June 30, 2021							-			

5.7.1 This represents 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.

5.8 Commercial papers

Name of Investee Company	Face value				Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets			
	As at July 1, 2021	Purchased during the period	Disposed off / matured during the period	As at March 31, 2022						
----- (Rupees in '000) -----										
TECHNOLOGY AND COMMUNICATION										
TPL Corporation Limited CP	-	25,000	25,000	-	-	-	-			
TPL Corporation Limited CP	-	25,000	25,000	-	-	-	-			
POWER GENERATION & DISTRIBUTION										
Waves Singer Pakistan Limited CP	100,000	-	-	100,000	96,653	-	-			
Lucky Electric Power Company Limited ICP 1	240,000	-	-	240,000	237,706	-	-			
K-Electric CP 1	320,000	-	320,000.00	-	-	-	-			
Lucky Electric Power Company Limited ICP 2	-	250,000	-	250,000	241,486	-	-			
Total					575,845	-	-			
Carrying value as at March 31, 2022					575,845					
Market value as at June 30, 2021					-					
Carrying value as at June 30, 2021					-					

5.9 Certificate of Investments

Name of Investee Company	Placement date	Profit rate	As at July 1, 2021	Amount placed during the period	Amount redeemed during the period	As at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
								----- % -----	
COMMERCIAL BANKS									
Pak Oman Investment Company Limited	17-Mar-22	11.75%	-	300	-	300	300,000	-	-
Total							300,000	-	-
Carrying value as at March 31, 2022							300,000		
Market value as at June 30, 2021							-		
Carrying value as at June 30, 2021							-		

6. 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 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 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	% of net assets	% of gross assets
-----Rupees in '000-----						-----(%-----	
Azgard Nine Limited VII	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	80,475	(80,475)	-	-	-
Azgard Nine Limited VIII	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	195,465	(195,465)	-	-	-
Agritech Limited I	Rating is below investment grade as prescribed in clause 9 (v) of the	Term finance certificates (6.1)	149,860	(149,860)	-	-	-
Agritech Limited V	Rating is below investment grade as prescribed in clause 9 (v) of the	Term finance certificates (6.1)	32,320	(32,320)	-	-	-
Dewan Cement Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	150,000	(150,000)	-	-	-
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Sukuks (6.1)	9,056	(9,056)	-	-	-
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	31,707	(31,707)	-	-	-
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Sukuks (6.1)	44,149	(44,149)	-	-	-

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	% of net assets	% of gross assets
-----Rupees in '000-----							
Pace Pakistan Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	149,820	(149,820)	-	-	-
Saudi Pak Leasing Company Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	41,321	(41,321)	-	-	-
Worldcall Telecom Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Term finance certificates (6.1)	69,157	(69,157)	-	-	-
Azgard Nine Limited (Non-voting)	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of 2009	Shares (6.1)	13	(13)	-	-	-
Silk Bank Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular 7 of	Term finance certificates (6.1)	99,920	(14,241)	85,679	0.97%	0.87%
<u><u>(967,584)</u></u>							

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

7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSE

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.7% per annum of the net assets of the Fund.

8 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.60% (March 31, 2021: 2.16%) which includes 0.10% (March 31, 2021: 0.26%) representing Government Levy and SECP Fee. The

prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

9 SINDH WORKERS' WELFARE FUND (SWWF)

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. 52.133 million recognised in these condensed interim financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

10 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

- 12.1 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.
- 12.2 The transactions with connected persons are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 12.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 12.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

12.5 Details of Transactions with connected persons and related parties are as follows:

	----- (Un-audited) -----	
	Nine months ended	
	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	44,516	28,273
Sindh Sales Tax on remuneration of the Management Company	5,787	3,676
Sales and transfer load charged	9,871	4,620
Reimbursement of operational expenses to the Management Company	9,729	5,468
Reimbursement of Selling and marketing expense	54,483	32,619
Units Issued / Transferred In Nil Units (2021: 17,704,442 units)	-	200,000
Units Redeemed / Transferred Out 3,732,302 Units (2021: 13,194,982 units)	41,051	150,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	5,837	3,495
Sindh sales tax on remuneration of the Trustee	759	454
CDS charges	274	287
Employees of the Management Company		
Units issued / transferred in 12,176,123 units (2021: 12,349,389 units)	135,537	137,856
Units redeemed / transferred out 11,663,642 units (2021: 10,771,982 units)	130,961	120,507
NBP Money Market Fund (CIS managed by Management Company)		
Purchase of market treasury bill	-	776,531
Portfolios Managed by Management Company		
Units issued / transferred in 240,510,413 units (2021: 7,081,457 units)	2,642,350	80,000
Units redeemed / transferred out 218,391,874 units (2021: Nil units)	2,434,291	-
National Bank of Pakistan		
Markup on saving account	4,081	42
Purchase of market treasury bill	1,735,173	-
NBP Islamic Mahana Amdani Fund (CIS managed by Management Company)		
Sale of Sukuk	88,362	-
NBP Mahana Amdani Fund (CIS managed by Management Company)		
Sale of market treasury bills	-	149,740
NBP Financial Sector Income Fund		
Sale of Market treasury bills	-	199,110
The Hub Power Company Limited (Common directorship)*		
Income from sukuk certificates	-	6,985
Hub Power Holding Limited (Common directorship)*		
Purchase of sukuk certificates	-	164,917
Income from sukuk certificates	-	7,269
BankIslami Pakistan Limited (Common directorship)		
Profit on bank deposit	2,246	67
Telenor Microfinance Bank Limited		
Profit on bank deposit	-	12

----- (Un-audited) -----		
Nine months ended		
	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
Khushali Microfinance Bank Limited (Common directorship)		
Profit on bank deposit	45,632	21,076
National Clearing Company of Pakistan		
Units Issued / Transferred In Nil units (2021: 3,096,030 units)\	-	35,000
NCCPL Charges	229	248
Laga and Levy	341	1,833
Pakistan Stock Exchange*		
Annual listing fee paid	-	25
Taurus Securities Limited		
Brokerage	203	-
(Un-audited) (Audited)		
	March 31, 2022	June 30, 2021
----- Rupees in '000 -----		
12.6 Amounts outstanding as at period / year end are as follows:		
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	4,395	4,107
Sindh sales tax on remuneration of the Management Company	572	534
Reimbursement of Operational expenses	2,797	2,923
Reimbursement of selling and marketing expense	15,663	16,370
Sales load payable to management company	617	5,959
Sindh Sales Tax and Federal Excise Duty on sales load	141	775
Federal Excise Duty and related Sindh Sales Tax on Management Fee and Sales Load	40,695	40,695
ADC charges payable including Sindh Sales Tax	787	154
Units held: Nil units (2021: 3,732,302 units)	-	40,186
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the trustee	562	559
Sindh Sales Tax on remuneration of the trustee	74	73
CDC charges payable	22	82
Security deposit	100	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balance	628	7,718
Accrued Markup	69	139
BankIslami Pakistan Limited (Common Directorship with the Management Company)		
Bank Balance	9,461	4,625
Accrued markup on bank balances	2,208	2
NBP Employees Pension Fund		
(Pension Fund of the parent of the Management Company)		
Investment held in the Fund: 115,478,781 units (June 2021: 115,478,781 units)	1,327,232	1,243,372
Taurus Securities Limited (Subsidiary of Parent Company)		
Brokerage payable	-	299

(Un-audited)	(Audited)
March 31,	June 30,
2022	2021
----- Rupees in '000 -----	

National Clearing Company of Pakistan

Investment held in the Fund: 3,322,481 units (June 2021: 3,322,481 units)	38,186	35,773
NCCPL Deposit	2,750	2,750
NCCPL charges payable	156	116

The Hub Power Company Limited (Common directorship)*

Investment in sukuk certificates	-	101,994
Profit receivable on sukuk certificates		1,026

Hub Power Holding Limited (Common directorship)*

Investment in sukuk certificates	172,186	176,768
Profit receivable on sukuk certificates		74

Portfolios Managed by Management Company

Investment held in the Fund: 32,577,157 units (June 2021: 9,493,770 units)	374,420	102,220
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Employees of the Management Company

Investment held in the Fund: 1,272,346 units (June 2021: 754,847 units)	14,623	8,128
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Khushali Microfinance Bank Limited (Common directorship)

Bank Balance	648,279	611,227
Markup Accrued	19	11

Telenor Microfinance Bank Limited

Bank Balance	7	7
Markup Accrued	2	15

13 FAIR VALUE MEASUREMENT

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

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

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

13.1 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).

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 27, 2022 by the Board of directors of the Management Company.

15. GENERAL

- 15.1** Figures have been rounded off the nearest thousand rupees,unless otherwise is specified.
- 15.2** Corresponding figures have been rearranged and reclassified , wherever necessary, for the purpose of better presentation.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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