



**NBP
RIBA FREE SAVINGS
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

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2022.

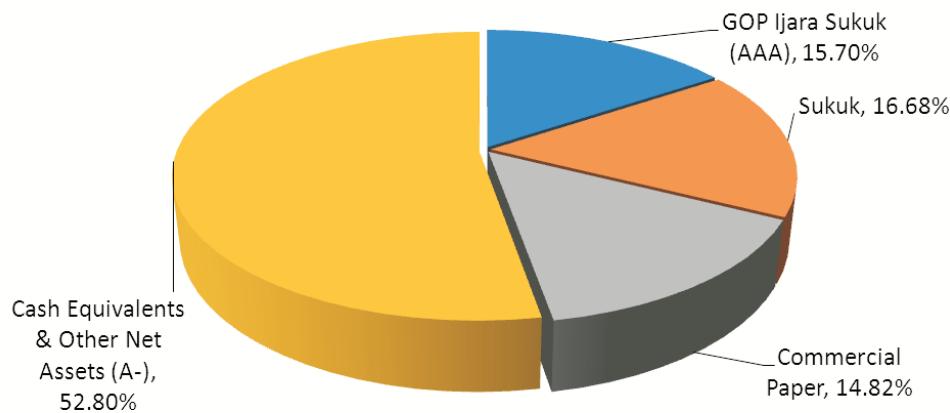
Fund's Performance

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 of the rupee and a sharp rise in domestic secondary market yields.

NRFSF is an Islamic Income Scheme. 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. 3,005 million during the period (a decline of 31%). During the period, the unit price of the Fund has increased from Rs. 10.2426 on June 30, 2021 to Rs. 10.8472 on March 31, 2022, thus showing a return of 7.9% as compared to the benchmark return of 3.2% 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. 261.78 million during the period. After deducting total expenses of Rs. 48.80 million, the net income is Rs. 212.98 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NRFSF.



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 نیشنل بینک لیمیٹڈ کے بورڈ آف ڈائریکٹر بھروسہ مدت 31 مارچ 2022ء کو ختم ہونے والی نومای کے لئے NBP ربا فری سیوگر فنڈ (NRFSF) کے غیر شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

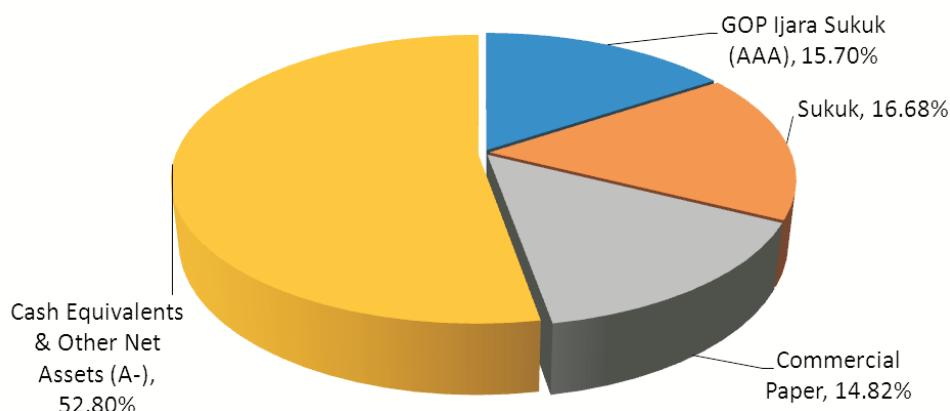
9MFY22 کے دوران، اٹنیٹ بینک آف پاکستان (SBP) نے چھ ماہی کمپنی (MPC) کے اجلاس منعقد کیے اور پالیسی کی شرح میں 2.75pps کا اضافہ کر کے 9.75% تک پہنچا دیا۔ MPC نے ملکی اقتصادی حالات اور ملکی اقتصادی اجتناس کی قیتوں اور عالمی مالیاتی حالات کے تاظر میں اعلیٰ درجے کی غیر لینی صورت حال کو دیکھتے ہوئے میکرو اکٹاک اسٹھام کے تحفظ کے لیے انتہائی ضروری اور بروقت اقدام کیا۔ اگرچہ کاروباری حالات اور مارکیٹ کی مجموعی سرگرمی میں بہتری آئی ہے، وہیں کے جاری تازہ مکمل اخراجات کے باعث کرنٹ اکاؤنٹ خارجے (CAD) اور افراطی سرگرمی کے توقعات کے لیے خطرات اور چیلنجز کا خطرہ اب بھی برقرار ہے۔ مزید برآں، SBP کے غیر ملکی زر مبادلہ کے ذخیرے میں شدید کمی سے 12 ملین امریکی ڈالر ہو گئے جس کی وجہ پر ہتھ ہوئے CAD اور قرض کی ادائیگیوں میں اضافہ ہے۔ بہت ہوئی سیاسی غیر لینی صورت حال کے ساتھ خراب میکروز نے روپیہ کی قدر میں 16% فیصد کی اور مقامی ثانوی منڈی کی شرح منافع میں تیزی سے اضافہ کیا۔

NRFSF ایک اسلامی ائم اسکیم ہے جس کا اسٹاک مارکیٹ سے بالو اسٹیبل اسٹک کوئی ایکسپوڑ نہیں ہے۔ فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیبلیٹی رینکنگ دی گئی ہے جو منافع جات میں اسٹھام برقرار رکھنے کی زبردست الیت اور خطرات کی زدیں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں اور کرشم بینکوں کی اسلامی منڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اتر سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کواثی کے کریٹ پروفائل کے ساتھ آسان ایکو یہی بھی مہیا کرنا ہے۔

NBP ربا فری سیوگر فنڈ کا سائز اس مدت کے دوران 4,327 ملین روپے سے کم ہو کر 3,005 ملین روپے ہو گیا ہے یعنی 31% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.2426 روپے سے بڑھ کر 31 مارچ 2022ء کو 10.8472 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے نئے مارک منافع 3.2% کے مقابلے میں 7.9% منافع درج کرایا۔ فنڈ کی کارکردگی میخنش فس اور دیگر تمام اخراجات کے بعد خاص ہے۔ اگست 2021 کے دوران، سندھ درکرز ٹیکنری فنڈ کی پروپرٹی نگر یورس کر دی گئی۔ اس پروپرٹی کے روپ میں کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یا ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے اس مدت کے دوران 178.261 ملین روپے کی مجموعی آمدی کمائی ہے۔ 48.80 ملین روپے کے اخراجات مٹھا کرنے کے بعد خاص آمدی 212.98 ملین روپے رہی۔

درج ذیل چارٹ 31 مارچ 2022 کو NRFSF کی ایسٹ ایلوکیشن اور اس کے ذیلی اٹاؤں کے تتمام درجوں کی پیمائش شدہ اسٹر 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۔ یہ سکورٹیز اینڈ آئچن کیشن آف پاکستان اور اسیٹس بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ملکی رویہ کا بھی اعتراف کرتا ہے۔

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

میجنت یورڈ آف ڈائریکٹر
نیشنل میجنت لائیٹ

ڈائریکٹر

چیف ایگزیکیوٹو

تاریخ: 27 اپریل 2022ء

مقام: کراچی

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

	Note	Un-Audited March 31, 2022	Audited June 30, 2021
		----- Rupees in '000 -----	
ASSETS			
Balances with banks	4	2,059,883	2,317,066
Investments	5	1,418,534	2,838,332
Prepayment and other receivables		207	461
Profit receivable		43,902	24,633
Receivable against issue of units		1,072	3,228
Total assets		3,523,598	5,183,720
LIABILITIES			
Payable to the Management Company		21,331	22,618
Payable to the Trustee		229	299
Payable to Securities and Exchange Commission of Pakistan		559	1,005
Payable against redemption of units		6,081	129,126
Payable against purchase of investments		487,663	625,481
Accrued expenses and other liabilities		2,394	78,193
Total liabilities		518,257	856,722
NET ASSETS		3,005,341	4,326,998
Unit holders' fund (As per statement attached)		3,005,341	4,326,998
CONTINGENCIES AND COMMITMENTS			
Number of units in issue	7	Number of units	
		277,060,748	422,452,898
Net asset value per unit		Rupees	
		10.8472	10.2426

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2022

	Nine months ended		Quarter ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
INCOME	Note ----- Rupees in '000 -----			
Income on Bank balances	125,045	95,128	45,365	29,710
Income on Term deposits	21,962	65,803	-	23,301
Income on GOP Ijara Sukuks	40,559	38,252	17,274	10,450
Income on Commercial paper	27,231	40,328	10,097	13,478
Income on Sukuk	17,120	34,419	5,362	4,917
Income on Bai-Moajjal receivable	761	10,451	761	-
(Loss) / Gain on sale of Investments - net	(4,150)	17,204	(862)	854
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(877)	4,232	(2,827)	2,314
Total income	227,651	305,817	75,170	85,024
EXPENSES				
Remuneration of the Management Company	14,574	20,740	4,234	5,959
Sindh sales tax on remuneration of the Management Company	1,895	2,696	551	775
Remuneration of the Trustee	2,095	2,961	601	873
Sindh Sales Tax on remuneration of the Trustee	272	385	78	114
Reimbursement of Selling and Marketing Expense	23,270	27,637	7,326	8,146
Annual fee - Securities and Exchange Commission of Pakistan	559	790	161	233
Reimbursement of operational expenses to the Management Company	3,492	4,485	1,002	1,454
Annual listing fee	21	21	7	7
Securities transaction cost	15	83	15	24
Settlement & Bank charges	439	517	193	127
Auditors' remuneration	852	549	250	162
Fund rating fee	403	367	142	130
Printing and related costs	109	133	41	34
Shariah advisor fee	399	410	128	72
Legal and professional charges	400	203	89	137
Total expenses	48,795	61,977	14,818	18,247
Net income from operating activities	178,856	243,840	60,352	66,777
Reversal of / (provision against) Sindh Workers' Welfare Fund - net	34,128	(4,877)	-	(1,336)
Net income for the period before taxation	212,984	238,963	60,352	65,441
Taxation	-	-	-	-
Net income for the period after taxation	212,984	238,963	60,352	65,441
Earnings per unit				
Allocation of net income for the period:				
Net income for the period after taxation	212,984	238,963	60,352	65,441
Income already paid on units redeemed	(62,350)	(74,483)	(28,009)	(29,408)
	150,634	164,480	32,343	36,033
Accounting Income available for Distribution				
- Relating to capital gain	-	21,436	-	3,168
- Excluding capital gain	150,634	143,044	32,343	32,865
	150,634	164,480	32,343	36,033

The annexed notes 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 AND QUARTER ENDED MARCH 31, 2022

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees in '000			
Net income for the period after taxation	212,984	238,963	60,352	65,411
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	212,984	238,963	60,352	65,411

The annexed notes 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 ENDED MARCH 31, 2022

	Nine months ended March 31,			2021		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	4,279,800	47,198	4,326,998	5,119,835	42,837	5,162,672
Issue of 135,290,271 units (2021: 391,044,697 units)						
- Capital value	1,385,724	-	1,385,724	4,001,130	-	4,001,130
- Element of income	51,528	-	51,528	77,348	-	77,348
Total proceeds on issuance of units	1,437,252	-	1,437,252	4,078,478	-	4,078,478
Redemption of 280,682,421 units (2021: 489,136,879 units)						
- Capital value	(2,874,918)	-	(2,874,918)	(5,004,800)	-	(5,004,800)
- Element of loss	(34,625)	(62,350)	(96,975)	(48,362)	(74,483)	(122,845)
Total payments on redemption of units	(2,909,543)	(62,350)	(2,971,893)	(5,127,645)	(74,483)	(5,127,645)
Total comprehensive income for the period		212,984	212,984		238,963	238,963
Net assets at end of the period	2,807,509	197,832	3,005,341	4,070,668	207,317	4,352,468
Undistributed income brought forward						
- Realised		44,948			42,837	
- Unrealised		2,250			-	
		47,198			42,837	
Accounting income available for distribution						
- Relating to capital gain					21,436	
- Excluding capital gain		150,634			143,044	
		150,634			164,480	
Distribution paid during the period		-	-		-	-
Undistributed income carried forward		197,832			207,317	
Undistributed income carried forward						
- Realised		197,832			203,085	
- Unrealised					4,232	
		197,832			207,317	
				- (Rupees) -		- (Rupees) -
Net assets value per unit at beginning of the period		10.2426			10.2319	
Net assets value per unit at end of the period		10.8472			10.7079	

The annexed notes 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 ENDED MARCH 31, 2022

	Nine Months Ended	
	31-Mar-22	31-Mar-21
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	212,984	238,963
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	877	(4,232)
Loss / (Gain) on sale of investments - net	4,150	(17,204)
(Reversal of provision) / provision against Sindh Workers' Welfare Fund - net	(34,128)	4,877
	<u>183,883</u>	222,404
(Increase) / decrease in assets		
Investments - net	1,276,953	1,752,494
Advances, deposits, prepayments and other receivables	254	230
Profit receivable	(19,269)	18,061
	<u>1,257,938</u>	1,770,785
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,287)	8,221
Payable to the Trustee	(70)	(61)
Payable to Securities and Exchange Commission of Pakistan	(446)	(419)
Accrued expenses and other liabilities	(41,671)	(79,072)
	<u>(43,474)</u>	(71,331)
Net cash generated from / (used in) operating activities	<u>1,398,347</u>	1,921,858
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,439,408	4,087,266
Payment on redemption of units	(3,094,938)	(5,175,586)
Net cash generated from financing activities	<u>(1,655,530)</u>	(1,088,320)
Net increase in cash and cash equivalents during the period	<u>(257,183)</u>	833,538
Cash and cash equivalents at the beginning of the period	2,317,066	2,076,787
Cash and cash equivalents at end of the period	<u>2,059,883</u>	2,910,325

The annexed notes 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 ENDED MARCH 31, 2022

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 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 18, 2010 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 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 NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "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.

The 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 Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned stability rating of 'A+(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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

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 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.

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

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		Note -----Rupees in '000-----	
4	BANK BALANCES		
Current accounts		19,238	30,063
Savings accounts	4.1	<u>2,040,645</u>	<u>2,287,003</u>
		<u>2,059,883</u>	<u>2,317,066</u>

- 4.1** These include balances of 0.90 million (June 30, 2021: Rs 0.396 million) and Rs 5.6 (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 10.25% (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).

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

Financial assets at fair value through profit loss

Sukuk	5.1	501,323	-
Commercial Paper	5.2	445,458	630,969
Government securities	5.3	471,753	897,363
Term deposits receipts	-	1,310,000	1,310,000
		<u>1,418,534</u>	<u>2,838,332</u>

5.1 Sukuks Certificates - At fair value through profit or loss

All certificates have a face value of Rs.100,000 each

Name of the security	As at July 1, 2021	Purchases during the period	Matured / disposed off 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
Hub Power Company Limited (traded) (related party) (Face value of Rs. 100,000 per certificate)	-	500	-	500	50,000	-	0.04
K-Electric Limited Sukuk (traded) (Face value of Rs. 1,000,000 per certificate)	-	100	-	100	100,000	-	0.07
K-Electric Limited Sukuk (traded) (Face value of Rs. 1,000,000 per certificate)	-	75	-	75	75,000	-	0.05
Pakistan Energy Sukuk-II (traded) (Face value of Rs. 5,000 per certificate)	55,000	-	-	55,000	276,323	0.09	0.19
					501,323	0.09	0.35
Carrying value as at March 31, 2022					502,200		
Market value as at June 30, 2021					-		

5.2 Commercial papers

Name of security	Face value (Rupees in '000)			(Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2021	Purchased during the period	Disposed off / matured during the period			
Power generation & distribution						
K-Electric Limited ICP - 15	372,000	-	372,000	-	-	-
K-Electric Limited ICP - 16	80,000	-	80,000	-	-	-
K-Electric Limited ICP - 18	190,000	-	190,000	-	-	-
K-Electric Limited ICP - 22	-	100,000	-	100,000	99,886	0.07
K-Electric Limited ICP - 23	-	100,000	-	100,000	99,187	0.07
Lucky Electric Power Company Limited ICP - I	-	200,000	-	200,000	198,088	0.14
Lucky Electric Power Company Limited ICP - II	-	50,000	-	50,000	48,297	0.03
Total					445,458	0.31
Carrying value as at March 31, 2022					445,458	
Market value as at June 30, 2021					1,310,000	

5.3 Government securities - Ijarah sukuks

Name of the security	As at July 1, 2021	Purchases during the period	Sales 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)	----- % -----		
GOP Ijarah sukuk XX (Face value of Rs. 100,000 per certificate Maturity April 30, 2025)	50,000	90,000	120,000	20,000	96,190	0.03	0.07
GOP Ijarah sukuk XXI (Face value of Rs. 100,000 per certificate Maturity May 29, 2025)	75,000	150,000	150,000	75,000	375,563	0.12	0.26
Total					471,753	0.16	0.33
Carrying value as at March 31, 2022					471,753		
Market value as at June 30, 2021					620,163		

6 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. 34.71 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.

7 CONTINGENCIES AND COMMITMENTS

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

8 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.95% per annum of the net assets of the Fund.

9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

10 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.75% (March 31, 2021: 1.69%) which includes 0.10% (March 31, 2021: 0.22%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Income Scheme".

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.
- 11.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

11.5 Transactions during the period

----- (Un-Audited) -----	
Nine months ended	
March	March
31,2022	31,2021
----- Rupees in '000 -----	

NBP Fund Management Limited

Formerly NBP Fullerton Asset Management Limited (Management Company)

Management remuneration for the period	14,574	20,740
Sindh sales tax on remuneration of the Management Company	1,895	2,696
Reimbursement of Selling and marketing expense	23,270	27,637
Reimbursement of Accounting and operational charges to the Management Company	3,492	4,485
Sales Load and sind sale tax	1,558	2,883
ADC share and Sindh sale tax - payable to Management Company	93	129

Central Depository Company of Pakistan Limited - Trustee

Remuneration	2,095	2,961
Sindh Sale tax on Remuneration	272	385
CDS Charges	59	86

Employees of Management Company

Units issued / transferred in 1,331,645 units; (2021: 4,220,723 units)	14,209	44,214
Units redeemed / transferred out 1,519,334 units; (2021: 3,963,462 units)	15,856	41,646

NBP FUND's Employee Provident Fund (Management Company)

Units redeemed / transferred out Nil units (2021: 436,294 units)	-	4,530
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----- (Un-Audited) -----	
Nine months ended	
March	March
31,2022	31,2021
----- Rupees in '000 -----	

Portfolio Managed By Management Company

Units issued / transferred in Nil units (2021: 2,390,665 units)	-	24,582
Units redeemed / transferred out Nil units (2021: 9,202,030 units)	-	95,665
Sale of sukuk certificates - K-Electric	-	33,620

Mr. Khalid Mehmood - Chief Financial Officer

Units issued / transferred in Nil units (2021: 51 units)	-	1
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BANKISLAMI PAKISTAN LIMITED - (Common directorship)

Profit earned from savings account	5,277	8,245
Placements of term deposit receipts	2,353,552	4,830,000
Profit earned from term deposits receipts	18,344	29,094
Purchase of sukuk certificates - GOP Ijarah sukuk certificates	-	471,563
Sale of sukuk certificates - GOP Ijarah sukuk certificates	148,076	954,974

NBP ISLAMIC MAHANA AMDANI FUND (CIS managed by the Management Company)

Sale of sukuk certificates during the period	-	1,125,418
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NBP ISLAMIC INCOME FUND (CIS managed by the Management Company)

Sale of sukuk certificates during the period	-	104,597
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NBP ISLAMIC SAROMAYA IZAFI FUND (CIS managed by the Management Company)

Sale of GOP Ijarah Sukuk during the period	-	297,813
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Hub Power Company Limited*

Purchase of Sukuk during the period	-	761,838
Profit earned on Sukuk during the period	-	12,774

Pakistan Stock Exchange Limited*

Listing Fee paid	-	25
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National Clearing Company of Pakistan Limited - common directorship

Settlement charges	224	225
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(Un-Audited)	(Audited)
March	June 30,
31, 2022	2021

11.6 Balances outstanding as at period / year end

----- Rupees in '000 -----	
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NBP Fund Management Limited

Remuneration payable	1,491	1,776
Sindh sales tax on remuneration of the Management Company	195	231
Reimbursement of Selling and Marketing expense payable	7,326	7,522
Reimbursement of Operational expenses	1,003	1,344
Sales load payable	166	621
Sindh sales tax on sale load payable	21	81
Federal excise duty on sales load	334	334
Federal excise duty on remuneration of the Management Company	10,657	10,657
ADC share and Sindh sale tax - payable to Management Company	138	52

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	203	265
Sale tax on Remuneration payable	26	34
CDS settlement charges payable	59	15
Security deposit	200	200
National Bank of Pakistan - Parent Company		
Balance in current account	898	3,741
Employees of Management Company		
Investment held in the Fund 1,051,752 units (June 30 2021: 1,099,987 units)	11,409	13,675
BankIslami Pakistan Limited - (Common directorship)		
Bank balance	5,596	8,522
Accrued profit	25	569
Placements of term deposit receipts	-	650,000
Profit receivable from term deposits receipts	-	130
Portfolio Managed by the Management Company		
Investment held in the Fund 256 units (June 30, 2021: 179 units)	3	2
National Clearing Company Limited Pakistan - common directorship		
Settlement charges payable	7	10
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: 60 units (June 30, 2021: 57)	1	1

*Current year figures have not been presented as the person is not classified as a related party / connected person of the Fund as at March 31, 2022.

12 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).

13 DATE OF AUTHORISATION FOR ISSUE

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

14 GENERAL

14.1 Figures have been rounded off to the nearest thousand Rupees.

14.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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