



NBP ISLAMIC MONEY MARKET 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	Summit Bank Limited
Askari Bank Limited	United Bank Limited
Bank Al Habib Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Zarai Taraqiati Bank Limited
Habib Bank Limited	Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited	National Bank of Pakistan
JS Bank Limited	Bank Alfalah Limited
MCB Bank Limited	
Meezan Bank Limited	



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpffunds.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 Islamic Money Market Fund (NIMMF)** for the period ended March 31, 2022.

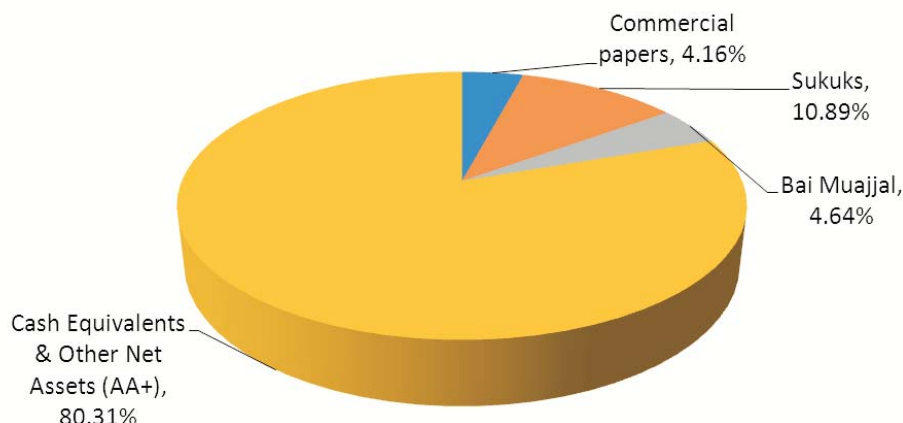
Fund's Performance

The market witnessed issuance of a decent size of short-term corporate sukuks and Shariah Compliant commercial papers to meet the increasing funding needs for working capital/bridge financing for fixed capital investments. 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.

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

The size of NBP Islamic Money Market Fund has increased from Rs. 4,823 million to Rs. 6,655 million during the period (a growth of 38%). During the period, the unit price of the Fund has increased from Rs. 10.0504 on June 30, 2021 to Rs. 10.6742 on March 31, 2022, thus showing return of 8.3% as compared to the benchmark return of 3.4% 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. 348.01 million during the period. After deducting total expenses of Rs. 33.70 million, the net income is Rs. 314.31 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMMF.





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.



ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

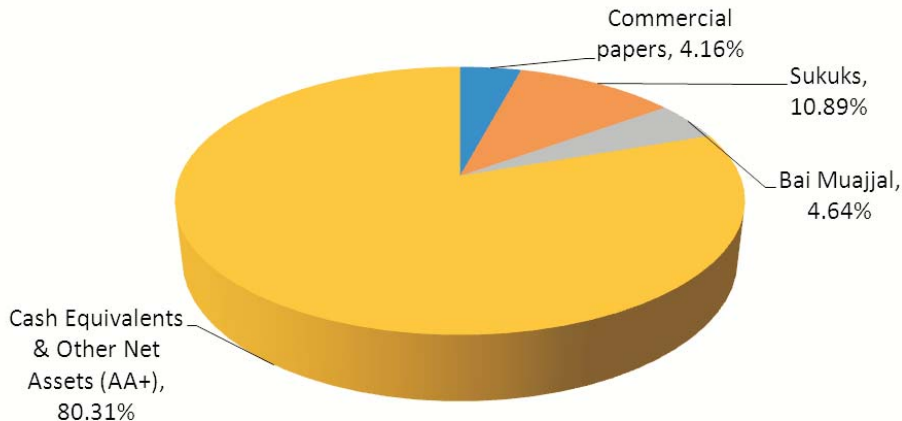
فنڈ کی کارکردگی

مارکیٹ نے مقررہ کیپیٹل سرمایہ کاری کے لیے ورکنگ کیپٹل / برج فنانسنگ کے لئے فنڈنگ کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے مختصر مدتی کارپوریٹ سکوک اور شریعہ کمپلیٹ کمرشل پیپرز کے معقول سائز کا اجراء دیکھا۔ 9MFY22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے چھ مانیٹری پالیسی کمیٹی (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 بین الاقوامی اجناس کی قیمتوں اور عالمی مالیاتی حالات کے تناظر میں اعلیٰ درجے کی غیر یقینی صورتحال کو دیکھتے ہوئے میکرو اکنامک استحکام کے تحفظ کے لیے انتہائی ضروری اور بروقت اقدام کیا۔ اگرچہ کاروباری حالات اور مارکیٹ کی مجموعی سرگرمی میں بہتری آئی ہے، روس-یوکرین کے جاری تنازعہ کے منفی اثرات کے باعث کرنٹ اکاؤنٹ خسارے (CAD) اور افراط زر کی توقعات کے لیے خطرات اور چیلنجز کا خطرہ اب بھی برقرار ہے۔ مزید برآں، SBP کے غیر ملکی زرمبادلہ کے ذخائر میں شدید کمی سے 12 بلین امریکی ڈالر ہو گئے جس کی وجہ بڑھتے ہوئے CAD اور قرض کی ادائیگیوں میں اضافہ ہے۔ بڑھتی ہوئی سیاسی غیر یقینی صورتحال کے ساتھ خراب میکروز نے روپیہ کی قدر میں 16% فیصد کمی اور مقامی ثانوی منڈی کی شرح منافع میں تیزی سے اضافہ کیا۔

NIMMF کی درجہ بندی بطور شریعہ کمپلائنٹ منی مارکیٹ فنڈ کی گئی ہے۔ اس فنڈ کا مقصد اسلامی بینکوں / تجارتی بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں تو اتر سے بہتر منافع فراہم کرنا ہے۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نپٹی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی، جبکہ اعلیٰ کوالٹی پروفائل کے ساتھ آسان لیکویڈیٹی بھی فراہم کرتی ہے۔

موجودہ مدت کے دوران NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کا سائز 4,823 ملین روپے سے کم ہو کر 6,655 ملین روپے ہو گیا ہے یعنی 38% کی نمو ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.0504 روپے (EX-Div) سے بڑھ کر 31 مارچ 2022ء کو 10.6742 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 3.4% کے مقابلے میں 8.3% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ و مرکز و بلوچستان فنڈ کی پروڈیونگ ریورس کردی گئی۔ اس پروڈیون کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے موجودہ مدت کے دوران 348.01 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 33.70 ملین روپے کے اخراجات متبہا کرنے کے بعد خالص آمدنی 314.31 ملین روپے ہے۔ درج ذیل چارٹ NIMMF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2022ء

مقام: کراچی



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

		Un-Audited	Audited
		March	June
		31,2022	30, 2021
Note		(Rupees in '000)	
ASSETS			
Bank balances		5,306,189	3,767,594
Investments	5	1,311,090	1,101,709
Preliminary and floatation costs		195	360
Deposits, prepayments and other receivables		493	284
Receivables against sale of units		4,594	30,530
Profit Accrued		52,166	7,835
Total assets		6,674,727	4,908,312
LIABILITIES			
Payable to Management Company		11,218	10,180
Payable to Trustee		332	286
Payable to the Securities and Exchange Commission of Pakistan		768	955
Payable against redemption of units		5,778	37,621
Accrued expenses and other liabilities		1,483	36,628
Total liabilities		19,579	85,670
NET ASSETS		6,655,148	4,822,642
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		6,655,148	4,822,642
CONTINGENCIES AND COMMITMENTS	7	-	-
Number of units in issue		623,480,109	479,846,676
NET ASSET VALUE PER UNIT		10.6742	10.0504

The annexed notes 1 to 13 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 Ended		Quarter Ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Note	(Rupees in '000)			
INCOME					
Return / profit on:					
- bank balances		239,045	130,446	109,321	36,639
- term deposits		36,723	49,132	26,205	23,356
- sukuk		24,073	28,011	8,744	19,339
- bai maujjal		9,255	17,533	3,169	-
- commercial paper		22,844	29,214	6,829	982
		331,940	254,336	154,268	80,316
Loss on sale of investment at fair value through profit and loss					
		(8)	-	(9)	-
Total income		331,932	254,336	154,259	80,316
EXPENSES					
Remuneration of the Management Company		3,960	3,597	1,549	1,140
Sindh sales tax on remuneration of the Management Company		515	468	202	149
Remuneration to the Trustee		2,227	2,338	851	741
Sindh Sales Tax on remuneration of the Trustee		289	304	110	96
Reimbursement of accounting and operational charges to the Management Company		4,803	4,104	1,934	1,425
Reimbursement of selling and marketing expense to the Management Company	8	19,210	21,073	7,732	5,698
Annual fee - Securities and Exchange Commission of Pakistan		768	719	309	228
Auditors' remuneration		343	364	90	78
Shariah advisory fee		456	453	148	155
Settlement & Bank charges		351	325	74	61
Annual listing fee		21	23	7	4
Fund rating charges		170	363	56	-
Legal and professional charges		279	292	43	172
Amortization of preliminary expenses and floatation costs		166	166	55	55
Printing charges		137	100	45	8
Total Expenses		33,695	34,689	13,205	10,010
Net Income from operating activities		298,237	219,647	141,054	70,306
Reversal of / (Provision against) Sindh Workers' Welfare Fund	6	16,079	(4,393)	-	(1,406)
Net Income for the period before taxation		314,316	215,254	141,054	68,900
Taxation	9	-	-	-	-
Net Income for the period after taxation		314,316	215,254	141,054	68,900
Allocation of Net income for the period:					
Net income for the period		314,316	215,254	141,054	68,900
Income already paid on units redeemed		(87,129)	(83,283)	(47,040)	(42,855)
		227,187	131,972	94,014	26,045
Accounting Income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		227,187	131,972	94,014	26,045
		227,187	131,972	94,014	26,045

The annexed notes 1 to 13 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 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	314,316	215,254	141,054	68,900
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	314,316	215,254	141,054	68,900

The annexed notes 1 to 13 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

	March 31, 2022			March 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	4,807,069	15,573	4,822,642	5,877,657	8,739	5,886,396
Issue of 865,148,343 units (March 31, 2021: 636,417,035 units)						
- Capital value	8,695,087	-	8,695,087	6,386,763	-	6,386,763
- Element of income	292,760	-	292,760	122,055	-	122,055
Total proceeds on issuance of units	8,987,847	-	8,987,847	6,508,818	-	6,508,818
Redemption of 721,514,910 units (March 31, 2021: 776,170,592 units)						
- Capital value	(7,251,513)	-	(7,251,513)	(7,789,260)	-	(7,789,260)
- Element of loss	(131,015)	(87,129)	(218,144)	(48,010)	(83,283)	(131,293)
Total payments on redemption of units	(7,382,528)	(87,129)	(7,469,657)	(7,837,270)	(83,283)	(7,920,553)
Total comprehensive income for the period	-	314,316	314,316	-	215,254	215,254
Net assets at end of the period	6,412,388	242,760	6,655,148	4,549,205	140,711	4,689,916
Undistributed income brought forward						
- Realised		15,573			8,739	
- Unrealised		-			-	
		15,573			8,739	
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	227,187			131,972		
	227,187			131,972		
Undistributed income carried forward		242,760			140,711	
Undistributed income carried forward						
- Realised		242,760			140,711	
- Unrealised		-			-	
		242,760			140,711	
		-- (Rupees) --			-- (Rupees) --	
Net assets value per unit at beginning of the period		10.0504			10.0355	
Net assets value per unit at end of the period		10.6742			10.4965	

The annexed notes 1 to 13 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

	March 31, 2022	March 31, 2021
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	314,316	215,254
Adjustments		
Return / profit on:		
- bank balances	(239,045)	(130,446)
- term deposits	(36,723)	(49,132)
- sukuk	(24,073)	(28,011)
- bai maujjal	(9,255)	(17,533)
- commercial paper	(22,844)	(29,214)
Amortization of preliminary expenses and floatation costs	166	166
(Reversal of) / Provision against Sindh Workers' Welfare Fund	(16,079)	4,393
	(33,537)	(34,523)
(Increase) in assets		
Investments	(209,373)	(74,149)
Profit Accrued	287,601	255,729
Deposits, prepayments and other receivables	(209)	89
	78,019	181,669
Increase in liabilities		
Payable to Management Company	1,038	(557)
Payable to Trustee	46	315
Payable to the Securities and Exchange Commission of Pakistan	(187)	26
Accrued expenses and other liabilities	(19,067)	(16,017)
	(18,170)	(16,233)
Net cash generated from operating activities	26,312	130,913
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	9,013,783	6,533,105
Net payments on redemption of units	(7,501,500)	(8,025,615)
Net cash generated / (used in) from financing activities	1,512,283	(1,492,510)
Cash and cash equivalents at the Beginning of the period	3,767,594	3,742,608
Cash and cash equivalents at the end of the period	5,306,189	2,381,011

The annexed notes 1 to 13 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 Islamic Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 04, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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

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

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

The objective of the Fund is to provide competitive return with maximum possible capital preservation by investing in low risk and liquid Shariah Compliant authorised instruments.

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

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan limited (CDC) as 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, 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 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
4	BANK BALANCES	Note	(Rupees in '000)
	Current Accounts		890,819
	Savings Accounts	4.1	4,415,370
			<u>5,306,189</u>

- 4.1 These savings accounts carry mark-up at rates ranging from 6.50% to 10.77% per annum (June 30, 2021: 6.25% to 7.16% per annum).

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
5	INVESTMENTS	Note	(Rupees in '000)
	Fair value through profit or loss		
	Commercial papers	5.1	277,150
	Sukuk	5.2	725,000
	Term deposits receipts	5.3	-
	Bai Maujjal	5.4	308,940
			<u>1,311,090</u>



5.1 Commercial papers

							Investment as a % of	
Name of the investee company	Note.	Face value				Carrying value as at March 31, 2022	Net assets	Market value of total investments
		As at July 01, 2021	Purchases during the period	Sales / matured during the period	As at March 31, 2022			
----- Rupees in '000 -----							----- % -----	
K-Electric Limited		20,000	-	20,000	-	-	0.00%	0.00%
K-Electric Limited		60,000	-	60,000	-	-	0.00%	0.00%
K-Electric Limited		110,000	110,000	220,000	-	-	0.00%	0.00%
K-Electric Limited			250,000	250,000	-	-	0.00%	0.00%
K-Electric Limited	5.1.1		30,000	-	30,000	29,966	0.45%	2.29%
K-Electric Limited	5.1.1		250,000	-	250,000	247,184	3.71%	18.85%
		190,000	640,000	550,000	280,000	277,150	4.16%	21.14%

Market value as at March 31, 2022

277,150

5.1.1

Particulars	Profit/ mark-up rates	Issue date	Maturity Date	Face Value	Amortised Cost	Carrying value as a % of net assets	Carrying value as a % of total investment
----- Percentage -----							
K-Electric Limited	8.77%	October 06, 2021	April 07, 2022	30,000	29,352	0.50%	1.55%
K-Electric Limited	10.96%	November 16, 2021	May 16, 2022	250,000	241,552	4.14%	12.74%

5.2 Sukuk

Name of the investee company	Number of certificates				Market value as at March 31, 2022	Investment as a percentage of		
	As at July 01, 2021	Purchases during the year	Disposals / matured during the year	As at March 31, 2022		Net assets	Market value of total investments	Issue size
Rupees '000						----- % -----		
HUB Power Company Limited - Sukuk	4,650	3,750	7,650	750	75,000	1.13%	5.72%	1.67%
K-Electric - Sukuk	-	650	-	650	650,000	9.77%	49.58%	41.27%
					<u>725,000</u>			
Carrying value before fair value adjustment as at March 31, 2022					725,000			

5.2.1 Significant terms and conditions of sukuk outstanding as at March 31, 2022 are as follows:

Name of security	Total face value	Unredeemed face value	Mark-up rate (per annum)	Issue Date	Maturity Date
-----Rupees '000-----					
HUB Power Company Limited	75,000	75,000	9.51%	November 02, 2021	May 02, 2022
K-electric Limited	175,000	175,000	11.61%	February 04, 2022	August 04, 2022
K-electric Limited	225,000	225,000	11.64%	February 15, 2022	August 15, 2022
K-electric Limited	250,000	250,000	13.32%	March 25, 2022	September 23, 2022



5.3 Term deposit receipts

Name of the investee company	Note.	Face value			As at March 31, 2022	Face Value as at June 30, 2021
		As at July 01, 2021	Purchases during the period	Sales / matured during the period		
----- Rupees in '000 -----						
UBL Ameen Islamic Banking		450,000	-	450,000	-	450,000
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	150,000	150,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	150,000	150,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	250,000	250,000	-	-
UBL Ameen Islamic Banking		-	150,000	150,000	-	-
UBL Ameen Islamic Banking		-	500,000	500,000	-	-
UBL Ameen Islamic Banking		-	500,000	500,000	-	-
UBL Ameen Islamic Banking		-	600,000	600,000	-	-
Faysal Bank Islamic		-	500,000	500,000	-	-
Askari Bank Limited		-	200,000	200,000	-	-
Meezan Bank Limited		-	550,000	550,000	-	-
Bank Alfalah Limited		-	875,000	875,000	-	-
Askari Bank Limited		-	600,000	600,000	-	-
		1,583,000	9,501,500	11,084,500	-	450,000

Face value as at March 31, 2022

-

5.4 Bai Muajjal

This represents the sale of Hub Power Company Limited TFCs to Pak Brunie Investments Company Limited on 22 Feb 2022, 23 Feb 2022, 25 Feb 2022 and 28 Feb 2022 (having face value of Rs. 75 million each) carrying profit rate of 10.55%.

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. 16.75 million recognised in these condensed interim financial statements of the Fund, for the period from February 28, 2018 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2022 and as at 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 0.5% per annum of the net assets of the Fund.

9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

10 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 0.88% (2021: 1.09%) including 0.04% (2021 : 0.17%) representing government levies on collective investment scheme such as Sindh Sales Tax on management & trustee remuneration and Securities and Exchange Commission of Pakistan fee for the period. However, as per SECP SRO 639 (I)/2019 date June 30, 2019, total expense ratio has been limited to 2% for Shariah Complaint Money Market Funds.

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1** 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.
- 11.2** The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.
- 11.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 11.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.



11.5 Details of the transactions with connected persons are as follows:

	(un-audited)	
	March 31, 2022	March 31, 2021
	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	3,960	3,597
Sindh sales tax on remuneration of the Management Company	515	468
Reimbursement of accounting and operational charges to the Management Company	4,803	4,104
Reimbursement of selling and marketing expense to the Management Company	19,210	21,073
Sales load and transfer load inclusive of Sindh Sales Tax	2,019	1,744
ADC generated inclusive of Sindh Sales Tax	52	104
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,227	2,338
Sindh Sales Tax on remuneration of the Trustee	289	304
CDC Trustee NAFA Islamic Capital Preservation Plan - I		
Units issued during the period: 1,640,844 units (March 31, 2021: 1,525,315 units)	16,946	15,600
Units redeemed during the period: 6,155,213 units (March 31, 2021: 8,924,469 units)	62,712	90,790
CDC Trustee NAFA Islamic Capital Preservation Plan - II		
Units issued during the period: 779,824 units (March 31, 2021: 6,116,994 units)	8,100	63,500
Units redeemed during the period: 3,423,525 units (March 31, 2021: 1,570,878 units)	34,968	16,400
CDC Trustee NAFA Islamic Capital Preservation Plan - III		
Units issued during the period: 2,370,099 units (March 31, 2021: 6,253,265 units)	24,617	64,900
Units redeemed during the period: 6,127,497 units (March 31, 2021: 464,543 units)	62,847	4,851
CDC Trustee NAFA Islamic Capital Preservation Plan - IV		
Units issued during the period: 753,102 units (March 31, 2021: 4,963,909 units)	7,845	51,496
Units redeemed during the period: 4,053,041 units (March 31, 2021: 702,514 units)	41,612	7,314
CDC Trustee NAFA Islamic Capital Preservation Plan - V		
Units issued during the period: 809,067 units (March 31, 2021: 5,637,674 units)	8,422	58,495
Units redeemed during the period: 4,734,816 units (March 31, 2021: 1,136,092 units)	48,524	11,841
Employees of the Management Company		
Units issued during the period: 18,682,049 units (March 31, 2021: 13,484,773 units)	194,158	388,752
Units redeemed during the period: 18,372,332 units (March 31, 2021: 12,459,183 units)	190,711	423,418
The Trustees Karachi Electric Provident Fund - More than 10% holding **		
Units issued during the period: 88,007,256 units (March 31, 2021: Nil units)	912,389	-



(un-audited)
March 31, 2022 March 31, 2021
(Rupees in '000)

Hub Power Company Limited *

Purchase of Sukuk	-	675,000
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CDC Trustee NBP Islamic Income Fund

Purchase of K-Electric Commercial Paper	-	18,573
Sale of K-Electric Commercial Paper	-	39,428

CDC Trustee NBP Islamic Daily Dividend Fund

Sale of K-Electric Commercial Paper	-	240,174
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CDC Trustee NBP Islamic Mahana Amdani Fund

Sale of K-Electric Commercial Paper	-	342,518
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Portfolio Managed by the Management Company

Units issued during the period: 74,266,077 units (March 31, 2021: 35,107,818 units)	766,870	358,047
Units redeemed during the period: 59,215,041 units (March 31, 2021: 32,646,715 units)	605,216	335,294

National Bank of Pakistan (parent company of the Management Company)

Profit accrued	13	-
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Fauji Fertilizers Company Limited (common director)

Units issued during the period: Nil units (March 31, 2021: 819 units)	-	8
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11.6 Amounts outstanding as at period end

As at March 31, 2022 As at June 30, 2021
(Unaudited) (Audited)
(Rupees in '000)

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	433	389
Sindh Sales Tax on remuneration of the Management Company	171	51
Reimbursement of accounting and operational charges to the Management Company	1,933	1,475
Reimbursement of selling and marketing expense to the Management Company	7,733	5,899
Sales & transfer load including sindh sales tax	570	1,900
Sindh Sales Tax and FED on Sales load	74	247
ADC Share charges payable	153	68
Other payable	151	151

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	294	253
Sindh sales tax on remuneration of the Trustee	38	33
CDC Charges	34	15
Security deposit	100	100



	As at March 31, 2022 (Unaudited)	As at June 30, 2021 (Audited)
	(Rupees in '000)	
CDC Trustee NAFA Islamic Capital Preservation Plan - I		
Investment held in the Fund: 1,467,498 units (June 30, 2021: 5,981,867 units)	15,664	60,120
CDC Trustee NAFA Islamic Capital Preservation Plan - II		
Investment held in the Fund: 1,596,366 units (June 30, 2021: 4,240,068 units)	17,040	42,614
CDC Trustee NAFA Islamic Capital Preservation Plan - III		
Investment held in the Fund: 1,171,446 units (June 30, 2021: 4,928,844 units)	12,504	49,537
CDC Trustee NAFA Islamic Capital Preservation Plan - IV		
Investment held in the Fund: 615,967 units (June 30, 2021: 3,915,905 units)	6,575	39,356
CDC Trustee NAFA Islamic Capital Preservation Plan - V		
Investment held in the Fund: 524,037 units (June 30, 2021: 4,449,786 units)	5,594	44,722
Fauji Fertilizer Company Limited (common director)		
Investment held in the Fund: 863 Units (June 30, 2021: Nil units)	9	-
Employees of the Management Company		
Investment held in the Fund: 4,130,030 Units (June 30, 2021: 4,075,064 units)	44,085	40,956
National Bank of Pakistan - Parent of the Management Company		
Bank Balances	1,206	1,398
Profit Receivable	7	-
BankIslami of Pakistan Limited - (Common directorship with the Management Company)		
Bank Balances	873	1,192
Portfolio Managed by the Management Company		
Investment held in the Fund: 53,490,769 Units (June 30, 2021: 24,923,849 units)	570,972	250,495
The Trustees Karachi Electric Provident Fund - More than 10% holding **		
Investment held in the Fund: 88,007,256 units (June 30, 2021: Nil units)	939,407	-

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

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

11 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction



between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

11.1 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).

12 DATE OF AUTHORISATION FOR ISSUE

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

13 GENERAL

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

13.2 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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