

NBP PAKISTAN GROWTH EXCHANGE TRADED FUND

QUARTERLY REPORT
MARCH 31, 2022

AM1
Rated by PACRA



MISSION STATEMENT

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



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Habib Metropolitan Bank Limited
JS 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 Pakistan Growth Exchange Traded Fund (NBPGETF)** for the period ended March 31, 2022.

Fund's Performance

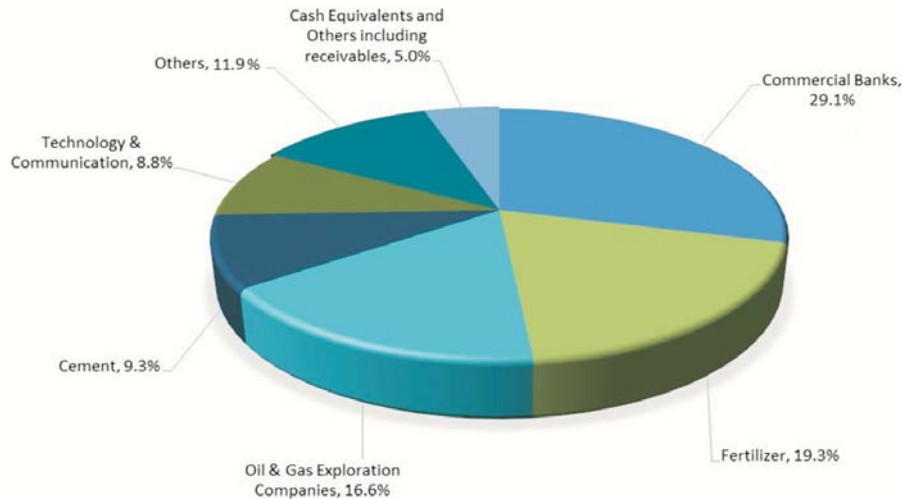
During 9MFY22, the benchmark KSE-100 index dropped by 2,427 points, translating into a decline of 5.1% during the period. The market remained quite jittery throughout the period, and amid thin volumes, traded within a range showing lack of investors' interest.

During the period under review, although the profitability of listed corporates rose sharply (cumulative profit during trailing four quarters increased by around 48% on a yearly basis), it did not translate into a commensurate market performance. Investors focused narrowly on the burgeoning current account deficit (CAD) which deteriorated significantly to USD 12.1 billion in 8MFY22, compared to a surplus of USD 1 billion during the comparative period last year. The external vulnerabilities re-emerged as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. The escalation in Russia Ukraine conflict and ensuing sanctions on the former further fueled global commodity prices that alarmed the investors which remained wary of its impact on domestic inflation. Monthly inflation reading also kept creeping up and average inflation stood at around 10.8% during the period under review. To compress both the external imbalances and the rampant inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in 9MFY22. For the same reason, PKR continued to depreciate and lost value by a significant 16% during the period. Though IMF program was resumed in 3Q, the inordinate delay in its resumption remained another reason for nervousness in the market. The downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which also dented the stock market performance. Lastly, the rising political noise further stoked uncertainty.

Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Companies and Banks/DFIs remained the largest buyers during the period with net inflows of USD 82 million, USD 81 million and USD 72 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 271 million.

The size of NBP Pakistan Growth Exchange Traded Fund has decreased from Rs. 62 million to Rs. 58 million during the period, i.e., a decrease of 6%. During the period, the unit price of NBP Pakistan Growth Exchange Traded Fund (NBPGETF) has decreased from Rs. 10.9271 on June 30, 2021 to Rs. 10.2090 on March 31, 2022, thus showing a decrease of 6.6%. The Benchmark for the same period decreases by 5.6%. Thus, the Fund has underperformed its Benchmark by 1.0% during the period under review. Tracking error for the period was 0.06%. Since inception the NAV of the Fund has increased from Rs. 9.3352 (Ex-Div) on October 05, 2020 to Rs. 10.2090 on March 31, 2022, thus showing an increase of 9.4%. During the said period, the Benchmark increased by 13.7%, translating into underperformance of 4.3%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is a one-off event and shall not be repeated in the future.

The Fund has incurred a total loss of Rs. 2.899 million during the period. After deducting total expenses of Rs. 1.165 million, the net loss is Rs. 4.064 million. The asset allocation of the Fund as on March 31, 2022 is as follows:



NBPGETF Performance versus Benchmark



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: **April 27, 2022**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لئے NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ (NBP-GETF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

9MFY22 کے دوران، بیچ مارک KSE-100 انڈیکس میں 2,427 پوائنٹس کی کمی واقع ہوئی، جس کے نتیجے میں اس مدت کے دوران 5.1% کی کمی ہوئی۔ پوری مدت کے دوران مارکیٹ کافی دباؤ کا شکار رہی، اور کم حجم کے درمیان، سرمایہ کاروں کی عدم دلچسپی کی وجہ سے ایک حد کے اندر تجارت ہوئی۔

زیر جائزہ مدت کے دوران، اگرچہ لٹڈ کارپوریشن کے منافع میں تیزی سے اضافہ ہوا (کچھلی چار سہ ماہیوں کے دوران مجموعی منافع میں سالانہ بنیادوں پر تقریباً 48 فیصد اضافہ ہوا)، حالانکہ مارکیٹ کی کارکردگی اس سے ہم آہنگ نہ ہوئی۔ سرمایہ کاروں نے بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے (CAD) پر توجہ مرکوز کی جو 8MFY22 میں نمایاں خرابی سے 12.1 بلین امریکی ڈالر ہو گیا، جو کہ گزشتہ سال کی تقابلی مدت کے دوران 1 بلین امریکی ڈالر کا سرپلس تھا۔ بیرونی کمزوریاں دوبارہ ابھریں کیونکہ مجموعی مقامی طلب میں اضافہ ہو گیا اور اجناس کے جاری سپر سائیکل نے بیرونی عدم توازن کو مزید بڑھا دیا۔ روس یوکرین میں بڑھتے ہوئے تنازعہ اور اس کے نتیجے میں پابندیوں نے عالمی اجناس کی قیمتوں میں مزید اضافہ کیا جس نے سرمایہ کاروں کو پریشان کر دیا جو مقامی افراط زر پر اس کے اثرات سے محتاط رہے۔ افراط زر کی مابیانہ شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت کے دوران اوسط افراط زر تقریباً 10.8 فیصد رہا۔ بیرونی عدم توازن اور بڑھتے ہوئے افراط زر دونوں کو کم کرنے کے لیے، مرکزی بینک نے اس عرصے کے دوران سخت مالیاتی اقدامات کا سہارا لیا جیسا کہ 8MFY22 میں پالیسی ریٹ میں مجموعی طور پر 2.75% اضافہ کیا گیا۔ اسی وجہ سے، اس مدت کے دوران پاکستانی روپیہ کی قدر میں کمی جاری رہی اور قدر میں 16% کی نمایاں کمی واقع ہوئی۔ اگرچہ 3Q میں IMF پروگرام دوبارہ شروع کیا گیا، لیکن اس کے دوبارہ شروع ہونے میں غیر معمولی تاخیر مارکیٹ میں پریشانی کی ایک اور وجہ رہی۔ MSCI امریکہ مارکیٹ سے MSCI فرنیچر مارکیٹ میں پاکستان کی تنزیل بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن قائم کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصے کے دوران غیر ملکی اخراج میں نمایاں اضافہ ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو بھی نقصان پہنچایا۔ آخر میں بڑھتے ہوئے سیاسی شور نے مزید غیر یقینی صورتحال کو جنم دیا۔

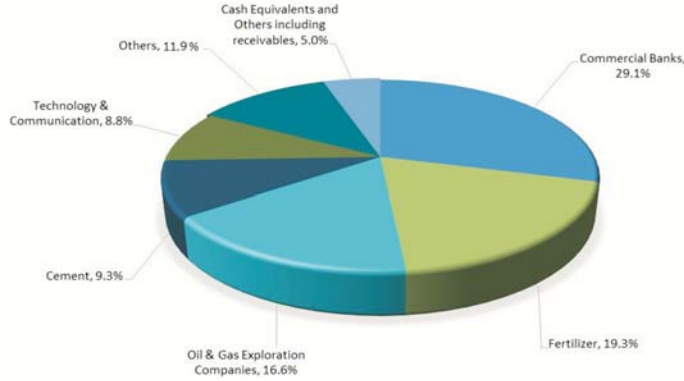
مارکیٹ کی شعبہ جاتی کارکردگی کو دیکھتے ہوئے، آٹوموبائل اسمبلرز، کیمیکلز، کمرشل بینکس، فریٹلائزرز، فوڈ اینڈ پراسسنگ، گلاس اینڈ سیرامکس، آئل اینڈ گیس ایکسپلوریشن، پاور جنریشن اینڈ ڈسٹری بیوشن اور ٹیکسٹائل کمپوزٹ شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا، جبکہ آٹو پارٹس اور ایئر سیریز، کیبل اور الیکٹرونک سامان، سیمنٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس مارکیٹنگ، سپیر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری، جینکالوجی اور کیموٹیکلیشن، اور ونا سیتی کے شعبہ مارکیٹ میں پیچھے رہے۔ شرکاء کی سرگرمی کے لحاظ سے، افراد، کمپنیاں اور بینک/DFIs اس عرصے کے دوران بالترتیب 82 بلین امریکی ڈالر، 81 بلین امریکی ڈالر اور 72 بلین امریکی ڈالر کے خالص اضافے کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، مارکیٹ میں غیر ملکی 271 بلین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے بڑے فروخت کنندگان رہے۔

NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کے یونٹ کی قیمت کو 62 ملین روپے سکیم 58 ملین روپے ہو گئی، لہذا 6% کی کمی ہوئی۔ اسی مدت کے لئے بیچ مارک انڈیکس 14.5% کا اضافہ ہوا۔ NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.9271 روپے سے کم ہو کر 31 مارچ 2022 کو 10.2090 روپے ہو گئی، لہذا 6.6% کی کمی ہوئی۔ اسی مدت کے لئے بیچ مارک انڈیکس 5.6% کی کمی ہوئی۔ لہذا، فنڈ نے اپنے بیچ مارک سے 1.0% کی ابتکار کارکردگی دکھائی جو کہ زیر جائزہ مدت کے لیے 0.06% ٹریڈنگ ایریجی NAV اپنے آغاز سے 05 اکتوبر 2020 کو 9.3352 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2022 کو 10.2090 روپے ہو گیا لہذا 9.4% کا اضافہ ہوا۔ فنڈ کی یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ وکرز ویلفیئر فنڈ کی پرویز ٹنگ ریورس کردی گئی۔ اس پرویز ٹنگ کے ریورس کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

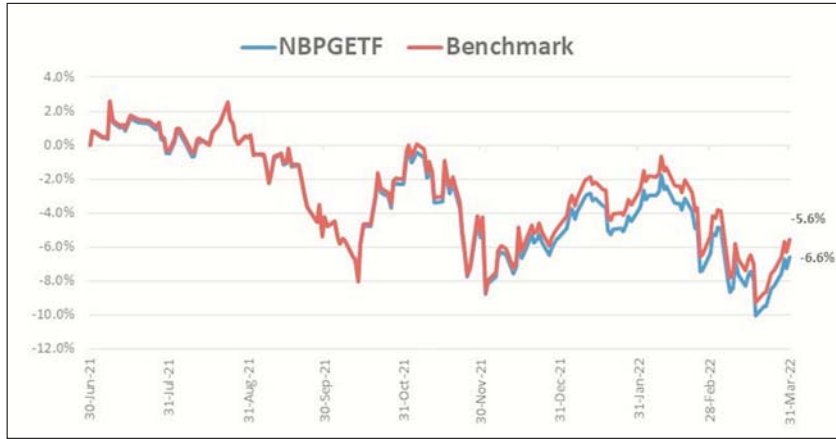
NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ نے اس مدت کے دوران 2.899 ملین روپے کا نقصان اٹھایا۔ 1.165 ملین روپے کے اخراجات متبہا کرنے کے بعد خالص نقصان 4.064 ملین روپے ہے۔



درج ذیل چارٹ 31 مارچ 2022 کو فنڈ کی ایسٹ ایلوکیشن کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



NBP-GETF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجسٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر ریونٹ 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 رٹسٹی 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 منجسٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

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		2,734	2,541
Investments	4	54,902	59,606
Dividend receivable		402	216
Other receivables		67	63
Total assets		58,105	62,426
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		62	65
Payable to Central Depository Company of Pakistan Limited - Trustee		6	6
Payable to the Securities and Exchange Commission of Pakistan		9	9
Payable against purchase of investments			211
Accrued expenses and other liabilities		245	506
Total liabilities		322	797
NET ASSETS		57,783	61,629
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		57,783	61,629
CONTINGENCIES AND COMMITMENTS			
	6		
Number of units			
NUMBER OF UNITS IN ISSUE		5,660,000	5,640,000
Rupees			
NET ASSET VALUE PER UNIT		10.2090	10.9271

The annexed notes 1 to 12 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

	For the Nine Months Period Ended March 31, 2022	For the period from October 06, 2020 to March 31, 2021	Quarter ended March 31, 2022	Quarter ended March 31, 2021
Note ----- (Rupees in '000) -----				
INCOME				
Profit on bank deposits	144	77	94	45
Dividend income	3,948	2,560	1,611	1,278
	4,092	2,637	1,705	1,323
(Loss) / gain on sale of investments - net	(361)	911	(355)	864
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets ' at fair value through profit or loss' - net	(6,881)	3,847	(1,812)	283
	(7,242)	4,758	(2,167)	1,147
Total (loss) / income	(3,150)	7,395	(462)	2,470
EXPENSES				
Remuneration of NBP Fund Management Limited - Management Company	347	218	113	117
Sindh Sales Tax on remuneration of the Management Company	45	28	15	15
Remuneration of Central Depository Company of Pakistan Limited - Trustee	46	29	15	16
Sindh Sales Tax on remuneration of the Trustee	6	4	2	2
Annual fee of the Securities and Exchange Commission of Pakistan	9	6	3	3
Securities transaction cost	24	22	24	21
Annual listing fee	8	-	2	-
Auditors' remuneration	284	177	83	90
Legal and professional charges	310	13	78	6
Settlement and bank charges	36	81	6	28
Printing charges	50	11	9	10
Total operating expenses	1,165	589	350	308
Net income from operating activities	(4,315)	6,806	(812)	2,162
Reversal / (Provision) against Sindh Workers' Welfare Fund	198	(137)	-	(46)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	53	36	287	121
Net (loss) / income for the period before taxation	(4,064)	6,705	(525)	2,237
Taxation	-	-	-	-
Net (loss) / income for the period after taxation	(4,064)	6,705	(525)	2,237
Accounting income available for distribution:				
- Relating to capital gains	-	4,758	-	1,147
- Excluding capital gains	-	1,947	-	1,090
	-	6,705	-	2,237

The annexed notes 1 to 12 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

	For the Nine Months Period Ended March 31, 2022	For the period from October 06, 2020 to March 31, 2021	Quarter ended March 31, 2022	Quarter ended March 31, 2021
----- (Rupees in '000) -----				
Net (loss) / income for the period after taxation	(4,064)	6,705	(525)	2,237
Other comprehensive income for the period	-	-		
Total comprehensive (loss) / income for the period	(4,064)	6,705	(525)	2,237

The annexed notes 1 to 12 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			For the period from October 06, 2020 to 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 (audited)	56,400	5,229	61,629	-	-	-
Issuance of 460,000 units (2021: 5,760,000 units)						
- Capital value (at net asset value per unit at the commencement of the Fund)	5,026	-	5,026	57,600	-	57,600
- Element of (loss) / income	(229)	-	(229)	198	-	198
Total proceeds on issuance of units	4,797	-	4,797	57,798	-	57,798
Redemption of 440,000 units (2021: 130,000 units)						
- Capital value (at net asset value per unit at the commencement of the Fund)	(4,808)	-	(4,808)	(1,300)	-	(1,300)
- Element of income / (loss)	281	-	281	(162)	-	(162)
Total payments on redemption of units	(4,527)	-	(4,527)	(1,462)	-	(1,462)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(53)	-	(53)	(36)	-	(36)
Total comprehensive (loss) / income for the period	-	(4,064)	(4,064)	-	6,705	6,705
Net assets at end of the period (un-audited)	<u>56,618</u>	<u>1,165</u>	<u>57,783</u>	<u>56,300</u>	<u>6,705</u>	<u>63,005</u>
Accounting income available for distribution						
- Relating to capital gains		757				
- Excluding capital gains		<u>4,472</u>				
		5,229				
Accounting income available for distribution:						
- Relating to capital gains		-			4,758	
- Excluding capital gains		-			1,947	
		-			6,705	
Net loss for the period after taxation		(4,064)			-	
Undistributed income carried forward		<u>1,165</u>			<u>6,705</u>	
Undistributed income carried forward:						
- Realised income		-			2,858	
- Unrealised income		-			3,847	
		<u>1,165</u>			<u>6,705</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>10.9271</u>			<u>10.0000</u>	
Net assets value per unit at end of the period		<u>10.2090</u>			<u>11.1909</u>	

The annexed notes 1 to 12 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	For the period from October 06, 2020 to March 31, 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(4,064)	6,705
Adjustments		
Profit on bank deposits	(144)	(77)
Dividend income	(3,948)	(2,560)
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets ' at fair value through profit or loss' - net	6,881	(3,847)
Element of (income) and capital (gains) included in prices of units issued less those in units redeemed - net	(53)	(36)
(Reversal) / Provision against Sindh Workers' Welfare Fund	(198)	137
	2,538	(6,383)
(Increase) in assets		
Prepayments and other receivables	(4)	(63)
Investments - net	(2,177)	(55,515)
	(2,181)	(55,578)
(Decrease) / Increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	(3)	66
Payable to Central Depository Company of Pakistan Limited - Trustee	-	6
Payable to the Securities and Exchange Commission of Pakistan	-	6
Payable against purchase of investments	(211)	
Accrued expenses and other liabilities	(63)	152
	(277)	230
Dividend income received	3,762	1,557
Profit received on bank deposits	144	77
Net cash (used) in operating activities	(78)	(53,392)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	4,797	57,798
Amount paid against redemption of units	(4,527)	(1,462)
Net cash generated from financing activities	271	56,336
Net increase in cash and cash equivalents during the period	193	2,944
Cash and cash equivalents at the beginning of the period	2,541	
Cash and cash equivalents at the end of the period	2,734	2,944

The annexed notes 1 to 12 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 Pakistan Growth Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 03, 2020.

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 2, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

The Fund has been categorized as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of NBP Pakistan Growth Index that has been constituted and is maintained by the Management Company and comprises of 15 equity securities selected with high consideration towards market capitalisation and traded value.

The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.

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

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

The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on Pakistan Stock Exchange (PSX) Limited.

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and 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.

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 half yearly reviewed financial statements of the Fund for the period ended December 31, 2021.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	--(Rupees in '000)--	
4 INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities	4.1	<u>54,902</u>	<u>59,606</u>



4.1 Investments in equity securities - listed

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

Name of the Investee Company	As at July 31, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at March 31, 2022	Market value	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
							net assets of the Fund	total market value of investments	
----- Number of shares held -----									
(Rupees in '000)						----- % -----			
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited *	18,612	2,121	-	3,753	16,980	2,830	4.90%	5.15%	-
						2,830	4.90%	5.15%	
OIL AND GAS EXPLORATION COMPANIES									
Oil & Gas Development Company Limited *	47,376	8,673	-	3,977	52,072	4,329	7.49%	7.89%	-
Pakistan Oilfields Limited *	7,332	553	-	1,659	6,226	2,320	4.02%	4.23%	-
Pakistan Petroleum Limited *	56,964	3,746	-	19,958	40,752	2,967	5.13%	5.40%	-
						9,616	16.64%	17.52%	
FERTILIZERS									
Engro Corporation Limited *	16,356	1,289	-	1,797	15,848	4,241	7.34%	7.72%	-
Engro Fertilizer Limited *	40,044	2,906	-	8,424	34,526	3,168	5.48%	5.77%	-
Fauji Fertilizer Company Limited - related party *	32,148	3,225	-	2,545	32,828	3,733	6.46%	6.80%	-
						11,142	19.28%	20.29%	
CEMENT									
Lucky Cement Limited *	6,768	2,352	-	630	8,490	5,403	9.35%	9.84%	-
						5,403	9.35%	9.84%	
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited *	59,220	7,845	-	11,031	56,034	4,011	6.94%	7.31%	-
						4,011	6.94%	7.31%	
COMMERCIAL BANKS									
Meezan Bank Limited *	19,176	2,967	2,762	2,265	22,640	2,965	5.13%	5.40%	-
Bank Alfalah Limited	-	48,000	-	2,720	45,280	1,536	-	-	-
Habib Bank Limited *	41,172	4,561	-	3,283	42,450	4,793	8.29%	8.73%	-
MCB Bank Limited *	18,612	5,127	-	1,665	22,074	3,215	5.56%	5.87%	-
Bank AL Habib Limited *	29,892	4,850	-	34,742	-	-	0.00%	0.00%	-
United Bank Limited *	28,200	5,915	-	2,419	31,696	4,324	7.48%	7.88%	-
						16,833	26.46%	27.88%	
TECHNOLOGY & COMMUNICATION									
TRG Pakistan Limited *	34,404	35,227	-	4,541	65,090	5,067	8.77%	9.23%	0.01%
						5,067	8.77%	9.23%	
Total as at March 31, 2022						54,902	92.34%	97%	
Carrying value as at March 31, 2022						61,783			
Market value as at June 30, 2021						59,606			
Carrying value as at June 30, 2021						55,134			

**5 SINDH WORKERS' WELFARE FUND**

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 0.20 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.

6 CONTINGENCIES AND COMMITMENTS

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

7 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the period ending June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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

8 TOTAL EXPENSE RATIO

The annualized total expense ratio (TER) of the Fund based on the current period is 2.52% which includes 0.13% representing Government Levy 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 categorized as an "Index" scheme.

9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 9.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 9.2** Transactions with connected persons / related parties are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other



charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

- 9.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 9.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 9.5** Details of transactions with related parties / connected persons during the period are as follows:

	----- (Un-audited) -----	
	For the Nine Months Period Ended March 31, 2022 (Rupees in '000)	For the period from October 06, 2020 to March 31, 2021
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited - Management Company	347	218
Sindh Sales Tax on remuneration of the Management Company	45	28
Payments made by the Management Company on behalf of Fund	-	20
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	46	29
Sindh Sales Tax on remuneration of the Trustee	6	4
Settlement charges	18	70
The Hub Power Company Limited - common directorship**		
Nil Shares Purchased (2021: 57,576 shares)	-	4,445
Nil Shares Purchased (2021: 1,276 shares)	-	110
Dividend income	-	209
Fauji Fertilizer Company Limited - common directorship		
3,225 Shares Purchased (2021: 32,240 shares)	331	3,417
2,545 Shares Purchased (2021: 1,275 shares)	277	139
Dividend income	368	185
JS Global Capital Limited - unit holder with more than 10% holding		
70,000 Units purchased during the period: (2021: 5,180,000 units)	741	51,968
140,000 Units redeemed during the period: (2021: 130,000 units)	1,520	1,462
MRA Securities Limited - unit holder with more than 10% holding		
390,000 Units purchased during the period: (2021: Nil units)	10,396	-
300,000 Units redeemed during the period: (2021: Nil units)	3,007	-
Taurus Securities Limited		
Brokerage for the period	2	-



	(Un-audited) As at March 31, 2022	(Un-audited) As at June 30, 2021
9.6 Amounts / balances outstanding as at period end are as follows	(Rupees in '000)	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	37	40
Sindh Sales Tax on remuneration of the Management Company	5	5
Other payable to Management Company	20	20
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	5	5
Sindh Sales Tax payable on Trustee remuneration	1	1
Settlement charges payable	46	27
The Hub Power Company Limited - common directorship*		
Shares held - Nil (2021: 59,220 shares)	-	4,718
Fauji Fertilizer Company Limited - common directorship		
Shares held - 32,828 (2021: 32,148 shares)	3,733	3,411
JS Global Capital Limited - unit holder with more than 10% holding		
Units held: 4,990,000 (2021: 5,060,000 units)	50,943	55,291
MRA Securities Limited - unit holder with more than 10% holding		
Units held: 670,000 (2021: 580,000 units)	6,840	6,338

*Current period 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

10 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.

10.1 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).

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Management Company on April 27, 2022.

12. GENERAL

- 12.1** Figures have been rounded off the nearest thousand rupees, unless otherwise is specified.
- 12.2** 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

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