



NBP FUNDS

Managing Your Savings

Islamic Savings

Aitemaad اعتماد



اسلامک سیونگز

NBP Fund Management Limited



NBP ISLAMIC REGULAR INCOME FUND

QUARTERLY REPORT
SEPTEMBER 30, 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. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Mr. Saad Amanullah Khan	Member
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Ruhail Muhammad	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

MCB Bank Limited
Meezan Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Silk Bank Limited
United Bank Limited
JS Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Al Baraka Bank of Pakistan



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.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 condensed interim financial statements of **NBP Islamic Regular Income Fund (NIRIF)** for the quarter ended September 30, 2022.

Fund's Performance

Equity market performance remained muted during 1QFY23, as the benchmark KMI-30 index fell by 1,303 points, translating into a modest decline of 1.9% for the period. Throughout the quarter, the market remained volatile and oscillated within a range driven by the news-flow.

The lackluster price performance of the market was despite robust corporate earnings announcement during the period, which showcased that FY22 corporate profitability rose by around 12% despite imposition of 10% super tax. However, it did not translate into a commensurate stock market performance as weak macro-economic indicator casted doubt on sustainability and outlook. Investors narrowly focused on elevated current account deficit, which stood at around USD 2.2 billion, record high inflation which averaged around 25.1% during the period, and depleting reserves held by SBP which fell sharply by USD 1.9 billion to stand around USD 7.9 billion at end of September. PKR continued to depreciate against USD, as it fell by another PKR 23.7 per USD (drop of 11.6%), which also dented the sentiment. During mid of quarter, we saw sharp rebound in the market, as IMF program was successfully resumed followed by receipt of loan tranche of USD 1.2 billion. However, the gains were short lived as unprecedented rains resulted into mass floods in the country resulting in massive devastation with an estimated economic loss of around USD 30 billion. It further worsened the economic outlook, as GDP estimates were trimmed down to 2% from 3% to 4% and inflation expectations were also revised upwards. The floods may also worsen the balance of trade as it will necessitate higher imports due to loss of cotton crop, potential wheat shortfall, and due to some decline in rice exports. On the external side, the participants were concerned about elevated contractual payments on financial account, due to impending external loan repayments. The international bond yields of certain instruments rose to record high level during the quarter.

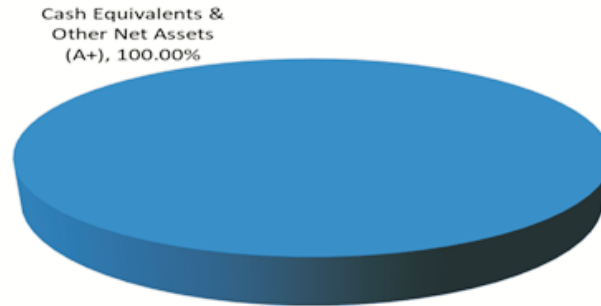
In terms of sector wise performance, Cements, Engineering, Food & Personal Care, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Technology & Communication, Textile Composite and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Fertilizers, Insurance, Oil & Gas Exploration, Pharmaceutical, and Refinery sectors lagged the market. On participants-wise market activity, Individuals and Foreigners emerged the largest net buyers with inflows of around USD 23 million and USD 17 million, respectively. On the contrary, Insurance & Mutual Funds lowered their net holdings by around USD 41 million and USD 35 million, respectively.

The size of NBP Islamic Regular Income Fund has decreased from Rs. 123 million to Rs. 1 million during the period, i.e., a decrease of 99%. During the period, the unit price of NBP Islamic Regular Income Fund has decreased from Rs. 8.4930 on June 30, 2022 to Rs. 8.4324 on September 30, 2022, thus showing a decrease of 0.7%. The Benchmark for the same period was decreased by 2.7%. Thus, the Fund has outperformed its Benchmark by 2.0% during the period under review. Since inception, the unit price of NBP Islamic Regular Income Fund has decreased from Rs. 9.0542 (Ex-Div) on October 31, 2018 to Rs. 8.4324 on September 30, 2022, thus showing a decrease of 6.9%. The Benchmark for the same period was increased by 5.8%. Thus, the Fund has underperformed its Benchmark by 12.7% during the period under review. This performance is net of management fee and all other expenses.

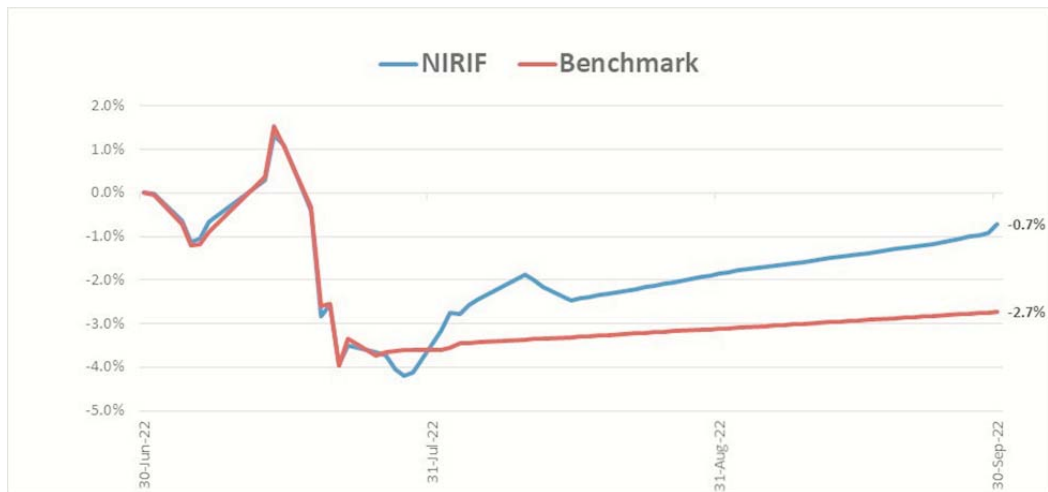
NBP Islamic Regular Income Fund has incurred a loss of Rs. 3.957 million during the period. After incurring total expenses of Rs. 0.453 million, the total loss is Rs. 4.41 million.



The asset allocation NBP Islamic Regular Income Fund as on September 30, 2022 is as follows:



NIRIF 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 Officer

Director

Date: October 29, 2022
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2022ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک ریگولر انکم فنڈ (NIRIF) کے غیر جانچ شدہ کنڈینسڈ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2023 کی پہلی سہ ماہی کے دوران ایکویٹی مارکیٹ کی کارکردگی سست رہی، کیونکہ بیچ مارک KMI-30 انڈیکس میں 1,303 پوائنٹس کی کمی واقع ہوئی، جس کے نتیجے میں اسی مدت میں 1.9% کی معمولی کمی واقع ہوئی۔ پوری سہ ماہی کے دوران، مارکیٹ اتار چڑھاؤ کا شکار رہی اور خبروں کی گردش کے تحت ایک حد کے اندر ہی گھومتی رہی۔

اس عرصے کے دوران مستحکم کارپوریٹ آمدنی کے اعلان کے باوجود مارکیٹ کی قیمت کارکردگی سست رہی، جس سے ظاہر ہوتا ہے کہ مالی سال 2022 میں 10% سپرنٹیکس کے نفاذ کے باوجود کارپوریٹ منافع تقریباً 12% رہا۔ تاہم، اس کا نتیجہ اسٹاک مارکیٹ کی کارکردگی کے مطابق حاصل نہیں ہوا کیونکہ کمزور میکرو اکنامک اشاروں نے استحکام اور مستقبل کے نقطہ نظر پر شکوک و شبہات کا اظہار کیا۔ سرمایہ کاروں نے بلند کرنٹ اکاؤنٹ خسارے، جو کہ تقریباً 2.2 بلین امریکی ڈالر تھا، پر خاص توجہ مرکوز رکھی، ریکارڈ بلند افراط زر جو اس مدت کے دوران تقریباً 25.1 فیصد تھی، اور اسٹیٹ بینک کے ذخائر میں 1.9 بلین امریکی ڈالر سے کمی کے باعث ستمبر کے اختتام پر 7.9 بلین امریکی ڈالر کے قریب پہنچ گیا۔ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ مسلسل گرتا رہا، اور اس میں مزید 23.7 پاکستانی روپیہ فی امریکی ڈالر (11.6% کمی) کی گراؤٹ ہوئی، جس نے جذبات کو بھی مجروح کیا۔ سہ ماہی کے وسط میں مارکیٹ میں تیزی سے بہتری دیکھی گئی، کیونکہ IMF پروگرام کامیابی کے ساتھ دوبارہ شروع ہوا جس کے تحت 1.2 بلین امریکی ڈالر کے قرض کی قسط موصول ہوئی۔ تاہم، یہ فوائد مختصر مدت ثابت ہوئے جیسا کہ غیر معمولی بارشوں کے نتیجے میں ملک میں بڑے پیمانے پر سیلاب آیا جس کے نتیجے میں تقریباً 30 بلین امریکی ڈالر کے اقتصادی نقصان کے ساتھ بڑے پیمانے پر تباہی ہوئی۔ اس نے معاشی نقطہ نظر کو مزید خراب کر دیا، کیونکہ جی ڈی پی کے 3% تا 4% تخمینے کو کم کر کے 2% تک کر دیا گیا اور افراط زر کی توقعات کو بھی بڑھانے پر نظر ثانی کی گئی۔ سیلاب سے تجارت کا توازن بھی بگڑ سکتا ہے کیونکہ اس سے کپاس کی فصل کے نقصان، گندم کی مکینہ کی اور چاول کی برآمدات میں کچھ کمی کی وجہ سے زیادہ درآمدات کی ضرورت ہوگی۔ بیرونی لحاظ سے، شرکاء بیرونی قرضوں کی واپسی کی وجہ سے مالی اکاؤنٹ پر معاہدے کی ادائیگیوں میں اضافے کے بارے میں فکر مند تھے۔ سہ ماہی کے دوران بین الاقوامی بانڈ کا منافع بعض آلات میں ریکارڈ بلند سطح تک پہنچ گیا۔

سکالر و کارکردگی کے لحاظ سے سبمٹ، انجینئرنگ، فوڈ اینڈ پرنٹل کیئر، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ بورڈ، پاور جنریشن اور ڈسٹری بیوشن، ٹیکنالوجی اور کمیونیکیشن، ٹیکسٹائل کمپوزٹ اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، فرنیچر، زراعت، انشورنس، آئل اینڈ گیس ایکسپلوریشن، فارماسیوٹیکل اور ریفرنسری کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انفرادی اور غیر ملکی بالترتیب 23 بلین امریکی ڈالر اور 17 بلین امریکی ڈالر کی آمد کے ساتھ بڑے خالص خریدار رہے۔ اس کے برعکس، انشورنس اور میوچل فنڈز نے اپنی خالص ہولڈنگز کو بالترتیب 41 بلین امریکی ڈالر اور 35 بلین امریکی ڈالر تک کم کیا۔

موجودہ مدت کے دوران NBP اسلامک ریگولر انکم فنڈ (NIRIF) کا سائز 123 بلین روپے سے کم ہو کر 1 بلین روپے ہو گیا ہے یعنی 99% کمی کی۔ زیر جائزہ مدت کے دوران، NBP اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 30 جون 2022 کو 8.4930 روپے سے کم ہو کر 30 ستمبر 2022 کو 8.4324 روپے ہو گئی، لہذا 0.7% کمی ظاہر کی۔ فنڈ کا بیچ مارک اسی مدت میں 2.7% سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک میں 2.0% بہتر کارکردگی دکھائی۔ 31 اکتوبر 2018 کو اپنے قیام کے وقت سے NBP اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 9.0542 (Ex-Div) روپے سے بڑھ کر 30 ستمبر 2022 کو 8.4324 روپے ہو چکی ہے اور اس طرح 6.9% کمی ظاہر کی۔ فنڈ کا بیچ مارک اسی مدت میں 5.8% زیادہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک میں 12.7% بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اسلامک ریگولر انکم فنڈ کو موجودہ مدت کے دوران 3.957 بلین روپے کا مجموعی نقصان ہوا ہے۔ 0.453 بلین روپے کے مجموعی اخراجات منہا کرنے کے بعد مجموعی نقصان 4.41 بلین روپے ہے۔

NBP اسلامک ریگولر انکم فنڈ کی ایسٹ ایلوکیشن 30 ستمبر 2022 کو بمطابق ذیل ہے:

Cash Equivalents &
Other Net Assets
(A+), 100.00%



NIRIF کی کارکردگی بمقابلہ بنچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی 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 ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended	
	September 30, 2022	September 30, 2021
Note	-----Rupees in '000-----	
Income		
(Loss) / Gain on sale of investments - net	(4,389)	82
Dividend Income	-	2,402
Profit on bank deposits	432	432
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(10,247)
Total (loss)	(3,957)	(7,331)
Expenses		
Remuneration of the Management Company	130	388
Sales Tax on remuneration of the Management Company	17	51
Remuneration to Central Depository Company of Pakistan Limited - Trustee	20	72
Sales Tax on remuneration of the Trustee	3	9
Reimbursement of operational expenses to the Management Company	-	67
Reimbursement of Selling and marketing expenses	-	639
Annual fee - Securities and Exchange Commission of Pakistan	2	7
Securities transaction costs	157	28
Settlement and bank charges	22	5
Auditors' remuneration	-	85
Professional charges	-	60
Annual listing fee	7	7
Amortisation of preliminary expenses and floatation costs	93	51
Shariah advisor fee	2	4
Printing and other charges	-	21
Total expenses	453	1,494
Net (loss) for the period before taxation	(4,410)	(8,825)
Reversal of provision against Sindh Workers' Welfare Fund	-	625
Net (loss) for the period before taxation	(4,410)	(8,200)
Taxation	-	-
Net (loss) for the period after taxation	(4,410)	(8,200)
Allocation of Net income for the period:		
Net income for the period	-	-
Income already paid on units redeemed	-	-
	-	-
Accounting Income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
	-	-

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended	
	September 30, 2022	September 30, 2021
	-----Rupees in '000'-----	
Net (loss) for the period after taxation	(4,410)	(8,200)
Other comprehensive income	-	-
Total comprehensive loss for the period	(4,410)	(8,200)

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2022

	Quarter Ended					
	September 30, 2022			September 30, 2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)					
Net assets at beginning of the period	140,889	(18,339)	122,550	148,637	(970)	147,667
Issue of 301,849 units (2021: 64,911 units)						
- Capital value	2,564	-	2,564	631	-	631
- Element of (loss)	(75)	-	(75)	(4)	-	(4)
Total proceeds on issuance of units	2,489	-	2,489	627	-	627
Redemption of 14,566,636 units (2021: 1,338,137 units)						
- Capital value	(123,714)	-	(123,714)	(12,999)	-	(12,999)
- Element of income	4,475	-	4,475	210	-	210
Total payments on redemption of units	(119,239)	-	(119,239)	(12,789)	-	(12,789)
Total comprehensive loss for the period	-	(4,410)	(4,410)	-	(8,200)	(8,200)
Net assets at end of the period	24,139	(22,749)	1,390	136,475	(9,170)	127,305
Undistributed loss brought forward						
- Realised loss		3,849			(16,310)	
- Unrealised loss		(22,188)			15,340	
		(18,339)			(9,170)	
Accounting Income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Total comprehensive loss for the period		(4,410)			(8,200)	
Undistributed loss carried forward		(22,749)			(9,170)	
Undistributed loss carried forward						
- Realised loss		(22,749)			1,077	
- Unrealised loss		-			(10,247)	
		(22,749)			(9,170)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		8.4930			9.7140	
Net assets value per unit at end of the period		8.4324			9.1401	

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2022

	Quarter Ended	
	September 30, 2022	September 30, 2021
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) for the period before taxation	(4,410)	(8,200)
Adjustments		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	10,247
Reversal of provision of Sindh Workers Welfare Fund	-	(625)
Amortisation of preliminary expenses and floatation costs	93	51
	(4,317)	1,473
Decrease / (increase) in assets		
Investments - net	94,384	(7,110)
Dividend and profit receivable	289	(1,433)
Receivable against sale of shares	265	822
Advance, deposit and prepayment	(20)	567
	94,918	(7,154)
(Decrease) / Increase in liabilities		
Payable to NBP Fund Management Limited -	(762)	46
Payable to Central Depository Company of Pakistan	(24)	(7)
Payable to Securities and Exchange Commission of Pakistan	(24)	(19)
Accrued expenses and other liabilities	(12)	(724)
	(822)	(704)
Net cash generated from / (used in) operating activities	89,779	(6,385)
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	2,489	627
Net payments on redemption of units	(119,239)	(12,789)
Net cash (used in) financing activities	(116,750)	(12,162)
Net (decrease) in cash and cash equivalents during the period	(26,971)	(18,547)
Cash and cash equivalents at the beginning of the period	28,944	32,716
Cash and cash equivalents at the end of the period	1,973	14,169

The annexed notes 1 to 11 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 STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The NBP Islamic Regular Income Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 07, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** 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 also the member of (MUFAP).
- 1.3** The Fund is an open-ended mutual fund classified as a "Shariah Compliant Asset Allocation Fund" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The core objective of the Fund, is to provide regular monthly payments to investors by investing in Shariah Compliant Debt, Money Market and Equity investment avenues.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has maintained an Asset Manager Rating of 'AM1' for the 'Management Company. The Fund has not yet been rated.
- 1.6** Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.7** During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

- 2.1** During the period, on July 27, 2022, the size of the Fund fell to Rs. 6.46 million from Rs. 122.55 million as of June 30, 2022, which is below the minimum fund size requirement of Rs. 100 million as per sub-regulation 3(a) of Regulation 54 of the NBFC Regulations. Regulation 54, sub-regulation 3(b) of the NBFC Regulations, inter alia, requires that in case the Fund size falls below the minimum prescribed amount of Rs. 100 million, compliance shall be ensured with the minimum fund size requirement within three months of its breach. The said regulation also requires that in case the fund size remains below the minimum fund size limit for consecutive ninety days, the Management Company shall intimate the grounds to the SECP upon which it believes the Fund is still commercially viable and its objective can still be achieved.

The Management Company does not have the intension to rebuild the required minimum fund size. Therefore, these financial statements have been prepared on a basis other than going concern. However, no adjustments are required in the financial statements as the assets and liabilities of the fund are stated at values at which they are expected to be realized or settled.



2.2 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 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 September 30, 2022.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. 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, 2022.



NBP FUNDS

FONDS
Managing Your Savings

NBP Fund Management Limited

4 INVESTMENTS

(Unaudited)
September 30, 2022
(Rupee)

(Audited)
June 30, 2022

(Rupees in '000)

Financial assets at fair value through profit or loss

- Listed equity securities

94,384

4.1 Investment in listed equity securities

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

Name of the Investee Company	As at 1 July 2022	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2022	Market value as at 30 September 2022	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
				(Number of shares)			(Rupees in '000)		(%)	
Oil and Gas Exploration Company										
Pakistan Oilfields Limited	24,800	-	-	-	24,800	-	-	-	-	-
Pakistan Petroleum Limited	96,820	-	-	-	96,820	-	-	-	-	-
Oil & Gas Development Company Limited	86,100	-	-	-	86,100	-	-	-	-	-
	207,720	-	-	-	207,720	-	-	-	-	
Oil and Gas Marketing Company										
Pakistan State Oil Company Limited	29,320	-	-	-	29,320	-	-	-	-	-
Attock Petroleum Limited	10,700	-	-	-	10,700	-	-	-	-	-
	40,020	-	-	-	40,020	-	-	-	-	
MISCELLANEOUS										
MACPAC Films Limited	28,000	-	-	-	28,000	-	-	-	-	-
	28,000	-	-	-	28,000	-	-	-	-	
Fertilizer										
Engro Corporation Limited	38,860	-	-	-	38,860	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	15,000	-	-	-	15,000	-	-	-	-	-
	53,860	-	-	-	53,860	-	-	-	-	
Chemical										
Engro Polymer and Chemicals Limited	39,700	-	-	-	39,700	-	-	-	-	-
	39,700	-	-	-	39,700	-	-	-	-	
Cement										
Fauji Cement Company Limited	198,500	-	-	-	198,500	-	-	-	-	-
Lucky Cement Limited	11,250	-	-	-	11,250	-	-	-	-	-
Attock Cement Pakistan Limited	8,000	-	-	-	8,000	-	-	-	-	-
Maple Leaf Cement Factory Limited	18,500	-	-	-	18,500	-	-	-	-	-
Kohat Cement Company Limited	36,200	-	-	-	36,200	-	-	-	-	-
	272,450	-	-	-	272,450	-	-	-	-	
Automobile Parts & Accessories										
Agriautos Industries Limited	4,000	-	-	-	4,000	-	-	-	-	-
AL-Ghazi Tractors Limited	6,000	-	-	-	6,000	-	-	-	-	-
	10,000	-	-	-	10,000	-	-	-	-	
Automobile Assembler										
Honda Atlas Cars (Pakistan) Limited	2,300	-	-	-	2,300	-	-	-	-	-
Millat Tractors Limited	5,682	-	-	-	5,682	-	-	-	-	-
	7,982	-	-	-	7,982	-	-	-	-	
Commercial Banks										
Meezan Bank Limited	14,558	-	-	-	14,558	-	-	-	-	-
	14,558	-	-	-	14,558	-	-	-	-	

NBP ISLAMIC REGULAR INCOME FUND



NBP FUNDS
Managing Your Savings

NBP Fund Management Limited

	As at 1 July 2022	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2022	Market value as at 30 September 2022	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)				(Rupees in '000)		(%)			
Textile Composite										
Interloop Limited	24,035	-	-	-	24,035	-	-	-	-	-
Kohinoor Textile Mills Limited	45,500	-	-	-	45,500	-	-	-	-	-
Nishat Mills Limited	27,500	-	-	-	27,500	-	-	-	-	-
	<u>97,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pharmaceuticals										
AGP Limited	3,000	-	-	-	3,000	-	-	-	-	-
The Searle Company Limited	3,670	-	-	-	3,670	-	-	-	-	-
Abbott Laboratories (Pakistan) Limited	650	-	-	-	650	-	-	-	-	-
	<u>7,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Food and Personal Care										
Bunnys Limited	3,500	-	-	-	3,500	-	-	-	-	-
At-Tahur Limited	67,320	-	-	-	67,320	-	-	-	-	-
	<u>70,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Engineering										
Mughal Iron & Steel Industries	37,367	-	-	-	37,367	-	-	-	-	-
Aisha Steel Mills Limited	31,000	-	-	-	31,000	-	-	-	-	-
	<u>68,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Glass & Ceramics										
Shabbir Tiles and Ceramics Limited	98,000	-	-	-	98,000	-	-	-	-	-
	<u>98,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sugar & Allied Industries										
Faran Sugar Mills Limited	7,000	-	-	-	7,000	-	-	-	-	-
	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Power Generation and Distribution										
The Hub Power Company Limited	183,470	-	-	-	183,470	-	-	-	-	-
	<u>183,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - 30 September 2022	<u>1,206,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,206,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying value before fair value adjustment as at 30 September 2022							-			

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

6 REIMBURSEMENT SELLING AND MARKETING EXPENSE

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. During the period, the Management Company has not charged selling and marketing expenses to the Fund.



7 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.

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 annualised total expense ratio (TER) of the Fund based on the current period is 4.71% (September 30, 2021: 4.14%) which includes 0.22% (September 30, 2021: 0.18%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an " Shariah Compliant Asset Allocation Fund " scheme.

9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

9.1 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, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

9.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

9.4 Transactions during the period

	----- Unaudited ----- Quarter ended	
	September 30, 2022	September 30, 2021
	----- Rupees in '000 -----	
NBP Fund Management Limited - Management Company		
Units redeemed: 13,290,385 units (2021: Nil units)	108,569	-
Remuneration of the Management Company	130	388
Sindh sales tax on remuneration of the Management Company	17	72
Reimbursement of operational expenses to the Management Company	-	67
Reimbursement of Selling and marketing expenses	-	639
Sales load and others	20	-
Employees of the Management Company		
Units issued: Nil units (2021: 4 units)	-	-
Bank Islami Pakistan Limited (Common directorship)		
Markup on bank balances	369	354



		----- Unaudited -----	
		Quarter ended	
		September 30,	September 30,
		2022	2021
		----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - Trustee			
Trustee Remuneration		20	72
Sales tax on remuneration to Trustee		3	9
CDC charges		1	2
Taurus Securities Limited (Subsidiary of Parent Company)			
Brokerage charges		9	4
		(Unaudited)	(Audited)
		September 30,	June 30,
		2022	2022
		(Rupees in '000)	
9.5 Balances outstanding as at period / year end			
NBP Fund Management Limited - Management Company			
Management remuneration payable	-	149	
Sindh Sales Tax payable on remuneration of Management Company	-	19	
Units held: Nil units (June 30, 2022: 13,290,385 units)	-	112,875	
Reimbursement of allocation of expenses related to registrar services, accounting, operation and valuation services		61	
Reimbursement of Selling and marketing expenses	-	553	
Sales and transfer load including Sindh Sales Tax	230	210	
Other payable	180	180	
Central Depository Company of Pakistan Limited - Trustee			
Remuneration Payable	1	20	
Sindh Sales Tax on Trustee remuneration	-	3	
CDC charges	1	3	
Security deposit	100	100	
Bank Islami Pakistan Limited (Common directorship)			
Bank balance	1,554	20,155	
Markup on bank balance	18	236	
Employees of the Management Company			
Units held: 2 units (June 30, 2022: 2 units)	-	-	
Saba Aslam Education Welfare Trust			
Units held: 144,442 units (June 30, 2022: Nil units)	1,218	-	

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at period end.

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

10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on October 29, 2022.



11 GENERAL

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

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications 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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