



NBP ISLAMIC REGULAR INCOME FUND

QUARTERLY REPORT
SEPTEMBER 30, 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. 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 Shahra-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.

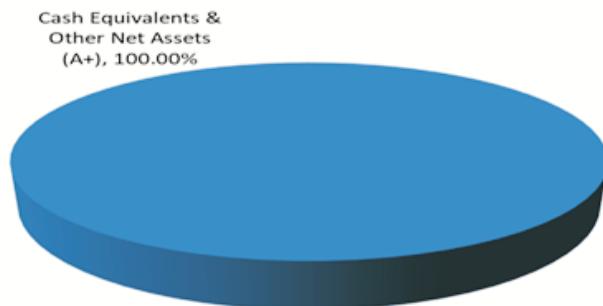
The lackluster price performance of the market was despite robust corporate earnings announcement during the period, which showcased that FY22 corporate profitability rose by around 12% despite imposition of 10% super tax. However, it did not translate into a commensurate stock market performance as 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

Date: October 29, 2022

Place: Karachi.

Director

ڈائیریکٹر رپورٹ

NBP فنڈ میجمنٹ لینڈ کے بورڈ آف ڈائریکٹرز بصد مسروت 30 ستمبر 2022ء کو ثمن ہونے والی سماں کے لئے NBP اسلامک ریگولر اکم فنڈ (NIRIF) کے غیر جائز شدہ کٹنڈیڈ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2023 کی پہلی سماں کے دوران ایکیٹ کی کارکردگی سُست رہی، کیونکہ پتچار مارک-30 KMI ایکس میں 1,303 پاؤنس کی کمی واقع ہوئی، جس کے نتیجے میں اسی مدت میں 1.9% کی معنوی کمی واقع ہوئی۔ پوری سماں کے دوران، مارکیٹ اتار چڑھا کا شکار ہی اور بخوبی کی گردش کے تحت ایک حد کے اندر ہی گھومتی رہی۔

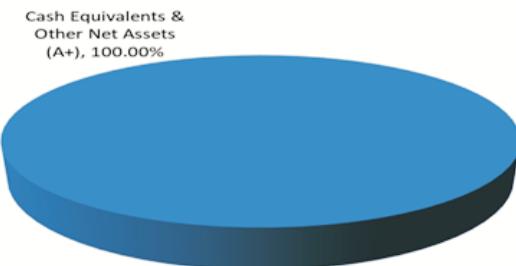
اس عرصے کے دوران مستحکم کارپوریٹ آمدنی کے اعلان کے باوجود مارکیٹ کی قیمت کا کرکردگی سُست رہی، جس سے ظاہر ہوتا ہے کہ مالی سال 2022 میں 10% سپر گیکس کے نہاد کے باوجود کارپوریٹ منافع تقریباً 12% رہا۔ تاہم، اس کا نتیجہ اسکا مارکیٹ کی کارکردگی کے مطابق حاصل نہیں ہوا کیونکہ کمزوریکرو اتناک اشاروں نے انتظام اور مستقبل کے نقطہ نظر پر شکوک و شہادت کا اٹھا کیا۔ سرمایہ کارروں نے بلند کرنٹ اکاؤنٹ خارے، جو کہ تقریباً 2.2 ملین امریکی ڈالر تھا، پر خاص توجہ مرکوز رکھی، ریکارڈ بلند افراط از جو اس مدت کے دوران تقریباً 25.1 فنڈ تھی، اور اسیٹ بیک کے ذخیرے میں 1.9 بلین امریکی ڈالر سے کمی کے باعث تقریباً 7.9 بلین امریکی ڈالر کے مقابلے پا کتائیں پا کتائیں پا کتائیں پا کتائیں روپیہ مسلسل گرتا رہا، اور اس میں مزید 23.7 پاکستانی روپیہ فی امریکی ڈالر (کمی) کی گراوٹ ہوئی، جس نے جذبات کو کچھی مجموعہ کیا۔ سماں کے وسط میں مارکیٹ میں تیزی سے بہتری دیکھی گئی، کیونکہ IMF پر گرام کامیابی کے ساتھ دوبارہ شروع ہوا جس کے تحت 1.2 ملین امریکی ڈالر کے قرض کی قحط موصول ہوئی۔ تاہم، یہ نوائد خصوصی مدت ثابت ہوئے جیسا کہ غیر معمولی بارشوں کے نتیجے میں ملک میں بڑے پیمانے پر سیالب آیا جس کے نتیجے میں تقریباً 30 ملین امریکی ڈالر کے اقتصادی نقصان کے ساتھ بڑے پیمانے پر تباہی ہوئی۔ اس نے معاشر نقطہ نظر کو مزید خراب کر دیا، کیونکہ جی ڈی پی کے 3% تا 4% تغییب کو کم کر کے 2% تک کر دیا گی اور افراط زری کی تو گفات کو کمی بڑھانے پر نظر ثانی کی گئی۔ سیالب سے تجارت کا توازن بھی بگرسلاٹا ہے کیونکہ اس سے کیساں کی نصل کے نقصان، گنم کی ممکنہ کمی اور چاول کی برآمدات میں کچھ کمی کی وجہ سے زیادہ درآمدات کی ضرورت ہوگی۔ یہوفی لحاظ سے، شرکاء یہ رفتہ قرضوں کی وابستہ کی وجہ سے مالی اکاؤنٹ پر معاہدے کی ادائیگیوں میں اضافے کے بارے میں فکر مند تھے۔ سماں کے دوران میں الاؤائی بانڈ کا منافع بخش آلات میں ریکارڈ بلند سطح تک پہنچ گیا۔

سکیلنڈر کارکردگی کے لحاظ سے سینٹ، انچیسٹر گنگ، فوڈ اینڈ پرنسل کیس، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پیپر اینڈ یورٹ، پاور جیز لیشن اور ڈسٹری یوشن، یکننا لوچی اور کمپنیکیشن، ٹیکنالوگی کمپوزٹ اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ وسری جانب آٹو اسکلر ز فریڈیا نیشن، انشورنس، آئل اینڈ گیس ایکسپورٹشن، فارماسیوٹیکل اور ریفارمیز کے شعبے مارکیٹ میں پیچھے رہے۔ شراء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، انفرادی اور غیر ملکی بالاتر ترتیب 23 ملین امریکی ڈالر اور 17 ملین امریکی ڈالر کی آمد کے ساتھ بڑے ناصل خریدار ہے۔ اس کے بکس، ان سورنس اور میوچل فنڈز نے اپنی ناصل ہو یونڈنگز بالاتر ترتیب 41 ملین امریکی ڈالر اور 35 ملین امریکی ڈالر تک کم کیا۔

موجودہ مدت کے دوران NBP اسلامک ریگولر اکم فنڈ (NIRIF) کا سائز 123 ملین روپے سے کم ہو کر 1 ملین روپے ہو گیا ہے جیسی 99% کی کمی۔ زیر جائزہ مدت کے دوران، NBP اسلامک ریگولر اکم فنڈ کے پیٹ کی قیمت 30 جون 2022 کو 8.4930 روپے سے کم ہو کر 8.4324 روپے ہو گئی، لہذا 0.7% کی کمی ظاہر کی۔ فنڈ کا پتچار مارک اسی مدت میں 2.7% سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے پتچار مارک میں 2.0% بہتر کارکردگی دکھائی۔ 31 اکتوبر 2018 کو اپنے قیام کے وقت سے NBP اسلامک ریگولر اکم فنڈ کے پیٹ 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% کی کمی ظاہر کی۔ فنڈ کا پتچار مارک اسی مدت میں 5.8% زیادہ ہوا لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے پتچار مارک میں 12.7% بہتر کارکردگی دکھائی۔ یہ کارکردگی میجمنٹ فسی اور دیگر تمام اخراجات کے بعد ناصل ہے۔

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

نیشنل بینک آف پاکستان کی ایسٹ ایمپکشن 30 ستمبر 2022 کو بر طبق ذیل ہے:



NIRIF کی کارکردگی متقابلہ بیچ مارک



انہار تکمیر

بوروڈ اس موقع سے فائدہ اٹھاتے ہوئے مجہنڈ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ یکورڈ ڈائینڈ اپچیخ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ملخص روایہ کا بھی اعتراف کرتا ہے۔

بوروڈ اپنے اسٹاف اور ڈریٹری کی طرف سے سخت محنت لگان اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مجاہد بوروڈ آف ڈائریکٹر
NBP نیشنل بینک میجہنڈ لائینڈ

ڈائریکٹر

چیف ایگزیکیوٹو آفیسر

تاریخ: 29 اکتوبر 2022

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

	Note	Unaudited September 30, 2022	Audited June 30, 2022
		Rupees in '000-----	
Assets			
Bank balances		1,973	28,944
Investments		-	94,384
Receivable against sale of shares		-	265
Dividend and profit receivable		25	314
Preliminary expenses and floatation costs		177	270
Advance, deposit and prepayment		546	526
Total assets		2,721	124,703
Liabilities			
Payable to NBP Fund Management Limited -			
Management Company		410	1,172
Payable to Central Depository Company of Pakistan			
Limited - Trustee		2	26
Payable to Securities and Exchange Commission of Pakistan		2	26
Accrued expenses and other liabilities		917	929
Total liabilities		1,331	2,153
Net assets		1,390	122,550
Unit holders' funds (As per Statement attached)		1,390	122,550
Contingencies and commitments	5		
Number of units in issue		164,847	14,429,634
Net asset value per unit		8.4324	8.4930

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

	Note	Quarter ended	September 30, 2022	September 30, 2021
		-----	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	6		-	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	7		-	-
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)
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	September
		30, 2022	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		<u>93</u>	51
		<u>(4,317)</u>	1,473
Decrease / (increase) in assets			
Investments - net		<u>94,384</u>	(7,110)
Dividend and profit receivable		<u>289</u>	(1,433)
Receivable against sale of shares		<u>265</u>	822
Advance, deposit and prepayment		<u>(20)</u>	567
		<u>94,918</u>	(7,154)
(Decrease) / Increase in liabilities			
Payable to NBP Fund Management Limited -		<u>(762)</u>	46
Payable to Central Depository Company of Pakistan		<u>(24)</u>	(7)
Payable to Securities and Exchange Commission of Pakistan		<u>(24)</u>	(19)
Accrued expenses and other liabilities		<u>(12)</u>	(724)
		<u>(822)</u>	(704)
Net cash generated from / (used in) operating activities		<u>89,779</u>	(6,385)
CASH FLOW FROM FINANCING ACTIVITIES			
Net receipts from issue of units		<u>2,489</u>	627
Net payments on redemption of units		<u>(119,239)</u>	(12,789)
Net cash (used in) financing activities		<u>(116,750)</u>	(12,162)
Net (decrease) in cash and cash equivalents during the period		<u>(26,971)</u>	(18,547)
Cash and cash equivalents at the beginning of the period		<u>28,944</u>	32,716
Cash and cash equivalents at the end of the period		<u>1,973</u>	<u>14,169</u>

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 intention 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.

4 INVESTMENTS

(Unaudited) **September 30, 2022** (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	-	-	-	-	-

	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	Market value as a percentage of the paid up capital of the investee company held	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	-	-	-	-	-	-
	97,035	-	-	-	97,035	-	-	-	-	-	-
Pharmaceuticals											
AGP Limited	3,000	-	-	-	3,000	-	-	-	-	-	-
The Searle Company Limited	3,670	-	-	-	3,670	-	-	-	-	-	-
Abbott Laboratories (Pakistan) Limited	650	-	-	-	650	-	-	-	-	-	-
	7,320	-	-	-	7,320	-	-	-	-	-	-
Food and Personal Care											
Bunnys Limited	3,500	-	-	-	3,500	-	-	-	-	-	-
At-Tahur Limited	67,320	-	-	-	67,320	-	-	-	-	-	-
	70,820	-	-	-	70,820	-	-	-	-	-	-
Engineering											
Mughal Iron & Steel Industries	37,367	-	-	-	37,367	-	-	-	-	-	-
Aisha Steel Mills Limited	31,000	-	-	-	31,000	-	-	-	-	-	-
	68,367	-	-	-	68,367	-	-	-	-	-	-
Glass & Ceramics											
Shabbir Tiles and Ceramics Limited	98,000	-	-	-	98,000	-	-	-	-	-	-
	98,000	-	-	-	98,000	-	-	-	-	-	-
Sugar & Allied Industries											
Faran Sugar Mills Limited	7,000	-	-	-	7,000	-	-	-	-	-	-
	7,000	-	-	-	7,000	-	-	-	-	-	-
Power Generation and Distribution											
The Hub Power Company Limited	183,470	-	-	-	183,470	-	-	-	-	-	-
	183,470	-	-	-	183,470	-	-	-	-	-	-
Total - 30 September 2022	1,206,302	-	-	-	1,206,302	-	-	-	-	-	-
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,	September 30,
2022	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)	-	-
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Bank Islami Pakistan Limited (Common directorship)

Markup on bank balances	369	354
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----- Unaudited -----	
Quarter ended	
September 30, 2022	September 30, 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) September 30, 2022 (Rupees in '000)		
(Audited) June 30, 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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