

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگ

NBP Fund Management Limited



NBP ISLAMIC STOCK FUND

HALF YEARLY REPORT
DECEMBER 31, 2022

AM1
Rated by PACRA



MISSION STATEMENT

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



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	16



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. Khalid Mansoor	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

Allied Bank Limited	JS Bank Limited
Bank Alfalah Limited	MCB Bank Limited
Bank Al Habib Limited	Meezan Bank Limited
Bankislami Pakistan Limited	National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited	Silk Bank Limited
Habib Bank Limited	Summit Bank Limited
Habib Metropolitan Bank Limited	Zarai Taraqiati Bank Limited
	United Bank Limited



Auditors

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

Legal Advisor

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

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpffunds.com

Lahore Office:

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

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
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 reviewed financial statements of **NBP Islamic Stock Fund (NISF)** for the half year ended December 31, 2022.

Fund's Performance

During 1HFY23, the equity market performance remained lackluster, as the benchmark KMI-30 Index fell by 489 points, translating into a modest decline of 0.7% for the period. During the period, the market remained jittery and the Index exhibited large swings on both sides driven by the news-flow.

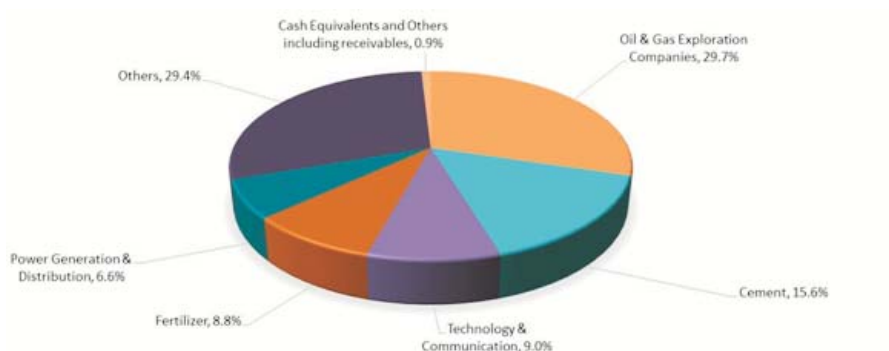
Notwithstanding the strong set of pre-tax results declared by listed corporate space for June & September period, stock market performance remained muted due to frail investor confidence. Although current account was brought under control as Current Account Deficit (CAD) stood at merely USD 3.7 billion down from USD 9.1 billion a year ago, the burgeoning foreign debt repayments took a toll on external account. Since IMF program faced delays & external inflows dried up significantly; SBP's FX reserves nose-dived from USD 9.8 billion to USD 5.6 billion on account of contractual loan repayments. Amid dwindling FX reserves, PKR continued to depreciate as it fell by PKR 21.6 to settle at 226.43 (drop of 10.5%) at December-22 end, which also dented sentiments. Unprecedented rains led to flash floods in the country and resulted in massive devastation that further worsened economic outlook. GDP estimates were trimmed down to 2% from 3%-4% and inflation expectations were also revised upwards by the central bank. Inflation which was already on an ascent due to commodity upcycle and retail fuel & power prices adjustments, further ratcheted up as acute supply disruptions & shortages will put more pressure on the prices. Average inflation clocked in at around 25% in 1HFY23 that prompted the central bank to further raise Policy Rates by 225 basis points during the period. Political uncertainty also remained elevated during the period, due to the long march by PTI during which a failed assassination attempt was made on PTI chief. Furthermore, indications were made to dissolve provincial assemblies where PTI was in power, which further amplified political noise and stirred uncertainty.

In terms of sector wise performance, Cements, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Power Generation & Distribution, Sugar & Allied Industries, Technology & Communication, and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Engineering, Food & Personal Care, Glass & Ceramics, Paper & Board, Pharmaceutical, Refinery & Textile Composite sectors lagged the market. On participants-wise market activity, Banks/DFIs and Individual emerged the largest net buyers with inflows of around USD 50 million and USD 48 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 64 million and USD 63 million, respectively.

The size of NBP Islamic Stock Fund has decreased from Rs. 5,188 million to Rs. 4,203 million during the period, i.e., a decrease of 19%. During the period the unit price of NBP Islamic Stock Fund (NISF) has decreased from Rs. 10.6059 on June 30, 2022 to Rs. 10.3965 on December 31, 2022, thus showing a decrease of 2.0%. The Benchmark (KMI-30 Index) for the same period was decreased by 0.7%. Thus, the Fund has underperformed its Benchmark by 1.3% during the period under review. Since inception the NAV of the Fund has increased from Rs. 7.7495 (Ex-Div) on January 09, 2015 to Rs. 10.3965 on December 31, 2022, thus showing an increase of 34.2%. During the said period, the Benchmark increased by 30.2%, translating into outperformance of 4.0%. This performance is net of management fee and all other expenses.

NBP Islamic Stock Fund has earned a total income of Rs. 15.01 million during the period. After deducting total expenses of Rs. 105.05 million, the Net loss is Rs. 90.04 million. The asset allocation of the Fund as on December 31, 2022 is as follows:

The asset allocation of the Fund as on December 31, 2022 is as follows:



NISF Performance versus Benchmark (Since Inception)



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: **February 21, 2023**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک اسٹاک فنڈ (NISF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2023 کی پہلی ششماہی کے دوران ایکویٹی مارکیٹ کی کارکردگی سُست رہی، جیسا کہ بیچ مارک KMI-30 انڈیکس میں 489 پوائنٹس کی کمی واقع ہوئی، جس کے نتیجے میں اسی مدت کے لیے 0.7% فیصد کی معمولی کمی واقع ہوئی۔ مدت کے دوران، مارکیٹ اتار چڑھاؤ کا شکار رہی اور انڈیکس خبروں کے باعث دونوں اطراف میں ہی گھومتا رہا۔

اگرچہ لٹھڑ کار پوریٹ نے جون اور ستمبر کی مدت کے لیے قبل از ٹیکس مستحکم نتائج کا اعلان کیا، لیکن سرمایہ کاروں کے کمزور اعتماد کی وجہ سے اسٹاک مارکیٹ کی کارکردگی ساکن رہی۔ اگرچہ کرنٹ اکاؤنٹ کو کنٹرول کر لیا گیا کیونکہ کرنٹ اکاؤنٹ خسارہ (CAD) ایک سال پہلے 9.1 بلین امریکی ڈالر سے کم ہو کر محض 3.7 بلین امریکی ڈالر رہ گیا، غیر ملکی قرضوں کی بڑھتی ہوئی ادائیگیوں نے بیرونی اکاؤنٹ پر اثر ڈالا۔ چونکہ آئی ایم ایف پروگرام کو تاخیر کا سامنا کرنا پڑا اور بیرونی رقوم کی آمد نمایاں طور پر کم ہو گئیں۔ معاہدے کے تحت قرض کی ادائیگیوں کی وجہ سے اسٹیٹ بینک پاکستان کے FX ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 5.6 بلین امریکی ڈالر تک رہ گئے۔ کم ہوتے ذخائر کے ساتھ ساتھ، پاکستانی روپیہ مسلسل گرتا رہا، اور 21.6 پاکستانی روپیہ سے گزر کر 226.43 (10.5 فیصد کمی) پر آ گیا، جس سے معاشی جذبات کو بھی نقصان پہنچا۔ غیر معمولی بارشوں کی وجہ سے ملک میں سیلاب آیا، جس کے نتیجے میں بڑے پیمانے پر تباہی ہوئی اور تقریباً 30 بلین امریکی ڈالر کا اقتصادی نقصان ہوا۔ اس نے معاشی نقطہ نظر کو مزید خراب کر دیا، کیونکہ GDP کے تخمینے کو 3-4 فیصد سے کم کر کے 2 فیصد کر دیا گیا تھا اور مرکزی بینک کی طرف سے افراط زر کی توقعات پر بھی نظر ثانی کی گئی۔ مہنگائی جو کہ اجناس کی قیمتوں میں اضافے کی وجہ سے پہلے ہی عروج پر تھی، سپلائی میں شدید رکاوٹ اور قلت کی وجہ سے قیمتوں پر مزید دباؤ بڑھ گیا۔ اوسط مہنگائی تقریباً 25 فیصد تک پہنچ گئی جو کہ دہائیوں کی بلند ترین سطح پر تھی جس نے مرکزی بینک کو اس مدت کے دوران پالیسی ریٹ میں مزید 225 ہمز پوائنٹس کا اضافہ کرنے پر مجبور کر دیا۔ پی ٹی آئی کی جانب سے لانگ مارچ کے اعلان جس میں پی ٹی آئی کے سربراہ قاتلانہ حملے کی ناکام کوشش کی گئی، اس عرصے کے دوران سیاسی بے یقینی بھی برقرار رہی۔ مزید برآں، ان صوبائی اسمبلیوں کو تحلیل کرنے کے اشارے دیے گئے جہاں پی ٹی آئی کی حکومت تھی، جس نے سیاسی گہما گہمی کو مزید بڑھا دیا اور غیر یقینی صورتحال کو جنم دیا۔

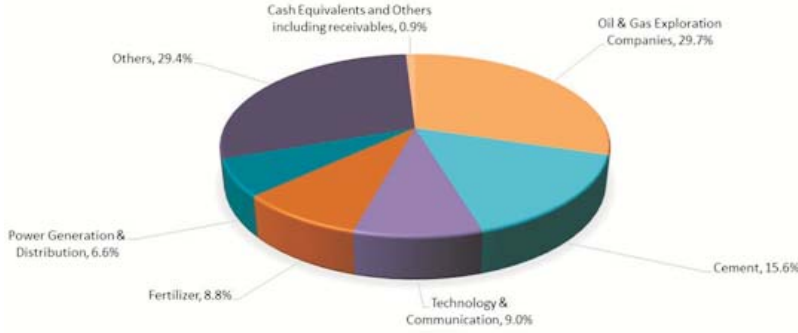
سکینڈاویجی کارکردگی کے لحاظ سے سیمینٹس، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پاور جنریشن اور ڈسٹری بیوشن، شوگر اینڈ الائیڈ انڈسٹریز، ٹیکسٹائل اور کیوٹیلیٹی اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، آٹو پارٹس اینڈ ایسٹریٹس، کمپل اینڈ الیکٹریکل اشیا، کمپیوٹرز، انجینئرنگ، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹریکس، پیپر اینڈ بورڈ، فارمیسیوٹیکل، ریفرنسری اور نیکیٹائٹ کمپوزٹ کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر بینکس / DFIs اور انفرادی سرمایہ کار بالترتیب 50 ملین امریکی ڈالر اور 48 ملین امریکی ڈالر کی آمد کے ساتھ سب بڑے خالص خریدار رہے۔ اس کے برعکس، میوہیل فنڈز اور انشورنس نے اپنی خالص ہولڈنگز کو بالترتیب 64 ملین امریکی ڈالر اور 63 ملین امریکی ڈالر سے کم کیا۔

موجودہ مدت کے دوران NBP اسلامک اسٹاک فنڈ کا ساٹھ 5,188 ملین روپے سے کم ہو کر 4,203 ملین روپے ہو گیا، یعنی 19% کمی ہوئی۔ اس مدت کے دوران NBP اسلامک اسٹاک فنڈ (NISF) کے یونٹ کی قیمت 30 جون 2022 کو 10.6059 روپے سے کم ہو کر 31 دسمبر 2022 کو 10.3965 روپے ہو گئی، لہذا 2.0% کمی ظاہر کی۔ اسی مدت کے دوران بیچ مارک (KMI-30 انڈیکس) 0.7% سے کمی ہوئی۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 1.3% کمی کا مظاہرہ کیا۔ اپنے قیام کے وقت سے فنڈ کا NAV (09 جنوری 2015) کو 7.7495 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2022 کو 10.3965 روپے ہو گیا، لہذا 34.2% فیصد اضافہ دیکھا گیا۔ زیر جائزہ مدت کے دوران، بیچ مارک 30.2 فیصد تک اضافہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے 4.0% کمی کا مظاہرہ کیا۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اسلامک اسٹاک فنڈ (NISF) کو اس مدت کے دوران 15.01 ملین روپے کی مجموعی آمدنی ہوئی۔ 105.05 ملین روپے کے اخراجات منہا کرنے کے بعد مجموعی نقصان 90.04 ملین روپے ہے۔



31 دسمبر 2022 کو فنڈ کی ایسٹ ایلوکییشن درج ذیل ہے:



NISF کی کارکردگی بہ مقابلہ بیسٹ مارک



اظہار تشکر

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

بورڈ اپنے اسٹاک اورڈر کی طرف سے سخت محنت لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائب بورڈ آف ڈائریکٹرز

NBP فنڈ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 فروری 2023ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Stock Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2023



REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Stock Fund** (the Fund) as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to and forming part of the condensed interim financial statements for the half year ended December 31, 2022 (here-in-after referred to as the 'condensed interim financial statements'). NBP Fund Management Limited (the Management Company) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Yousuf Adil
Chartered Accountants

Engagement Partner
Nadeem Yousuf Adil

Place: Karachi
Date: February 27, 2023

UDIN: RR202210091BbDTw9d0f



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	4	73,377	143,804
Investments	5	4,166,752	5,078,506
Receivable against sale of investments		42,963	32,483
Receivables from funds under management by Management Company against conversion of units		14,906	1,152
Dividend and profit receivable		1,669	3,491
Advance, deposits and prepayment		7,123	7,256
Total assets		4,306,790	5,266,692
Liabilities			
Payable to NBP Fund Management Limited - Management Company	6	34,434	39,131
Payable to the Central Depository Company of Pakistan Limited - Trustee	7	513	584
Payable to the Securities and Exchange Commission of Pakistan	8	486	1,342
Payable against purchase of investments		-	-
Payable against conversion and redemption of units		36,365	7,345
Accrued expenses and other liabilities	9	31,832	30,246
Total liabilities		103,630	78,648
Net assets		4,203,160	5,188,044
Unit holders' fund (as per statement attached)		4,203,160	5,188,044
Contingency and commitment	10		
		-----Number of units-----	
Number of units in issue		404,286,763	489,165,605
		-----Rupees-----	
Net assets value per unit		10.3965	10.6059

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2022

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	(Rupees in '000)			
Income				
(loss) on sale of investments - net	(18,004)	(77,688)	(15,762)	(89,859)
Profit on bank deposits	10,239	7,403	4,548	3,801
Dividend income	200,250	239,646	134,241	147,670
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2 (177,477)	(399,670)	(163,566)	46,699
Total income/ (loss)	15,007	(230,309)	(40,540)	108,311
Expenses				
Remuneration of NBP Fund Management Limited - Management Company	6.1 48,619	55,747	23,374	26,104
Sindh sales tax on remuneration of the Management Company	6.2 6,320	7,247	3,038	3,393
Reimbursement of operational expenses to the Management Company	6.3 4,862	7,157	2,337	3,480
Reimbursement of selling and marketing expenses	6.4 37,680	75,310	18,115	35,676
Remuneration to Central Depository Company of Pakistan Limited - Trustee	7.1 2,935	4,221	1,421	1,993
Sindh Sales Tax on remuneration of Trustee	7.2 382	549	185	259
Annual fee to Securities and Exchange Commission of Pakistan	8 486	743	234	348
Auditors' remuneration	395	434	200	248
Listing fee	14	14	7	7
Printing expenses	46	46	23	23
Securities transaction cost	2,119	4,119	773	2,489
Legal and professional charges	91	291	46	260
Settlement and bank charges	449	507	291	298
Shari'ah advisor fee	506	520	253	299
Mutual fund rating fee	147	133	49	65
Total expenses	105,050	157,038	50,345	74,942
Net (loss) / income from operating activities	(90,043)	(387,347)	(90,885)	33,369
Reversal for Sindh Workers' Welfare Fund	9.1 -	80,997	-	-
Net (loss) / income for the period before taxation	(90,043)	(306,350)	(90,885)	33,369
Taxation	11 -	-	-	-
Net (loss) / income for the period after taxation	(90,043)	(306,350)	(90,885)	33,369
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 16 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2022

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(90,043)	(306,350)	(90,885)	33,369
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(90,043)</u>	<u>(306,350)</u>	<u>(90,885)</u>	<u>33,369</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Half year ended December 31,					
	2022			2021		
	Value	Undistributed loss	Total	Value	Undistributed loss	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period (audited)	6,796,671	(1,608,627)	5,188,044	8,710,074	(506,852)	8,203,222
Issue of 146,047,513 units (2021: 229,007,994 units)						
- Capital value	1,548,965	-	1,548,965	2,916,422	-	2,916,422
- Element of income/ (loss)	28,455	-	28,455	(58,925)	-	(58,925)
Total proceeds on issuance of units	1,577,420	-	1,577,420	2,857,497	-	2,857,497
Redemption of 230,926,355 units (2021: 324,437,698 units)						
- Capital value	(2,449,182)	-	(2,449,182)	(4,131,714)	-	(4,131,714)
- Element of income/ (loss)	(23,084)	-	(23,084)	51,539	-	51,539
Total payments on redemption of units	(2,472,265)	-	(2,472,265)	(4,080,175)	-	(4,080,175)
Total comprehensive (loss) for the period	-	(90,043)	(90,043)	-	(306,350)	(306,350)
Net assets at end of the period	5,901,826	(1,698,670)	4,203,160	7,487,396	(813,202)	6,674,193
Undistributed loss brought forward						
- Realised		(395,098)			(1,757,017)	
- Unrealised		(1,213,529)			1,250,165	
		(1,608,627)			(506,852)	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Total comprehensive loss for the period		(90,043)			(306,350)	
Undistributed loss carried forward		(1,698,670)			(813,202)	
Undistributed loss carried forward						
- Realised		(1,521,193)			(413,532)	
- Unrealised		(177,477)			(399,670)	
		(1,698,670)			(813,202)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		<u>10.6059</u>				<u>12.7350</u>
Net assets value per unit at end of the period		<u>10.3965</u>				<u>12.1632</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Half Year ended December 31	
	2022	2021
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) for the period before taxation	(90,043)	(306,350)
Adjustments for:		
Net unrealised diminuation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	177,477	399,670
	87,434	93,320
Decrease / (Increase) in assets		
Investments	734,281	857,227
Dividend and profit receivable	1,822	834
Receivable against sale of investments	(10,480)	16,400
Advances, deposits and prepayments	133	58,986
	725,756	933,447
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	(4,697)	(6,774)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(71)	(146)
Payable to the Securities and Exchange Commission of Pakistan	(856)	(623)
Payable against purchase of investment	-	18,237
Accrued expenses and other liabilities	1,586	(93,703)
	(4,038)	(83,009)
Net cash generated from operating activities	809,152	943,758
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issue of units	1,563,666	2,842,093
Payments against redemption of units	(2,443,245)	(4,012,238)
Net cash generated from financing activities	(879,579)	(1,170,145)
Net (decrease) in cash and cash equivalents during the period	(70,427)	(226,387)
Cash and cash equivalents at the beginning of the period	143,804	576,948
Cash and cash equivalents at the end of the period	73,377	350,561
	4	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Islamic Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 12 November 2014 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.
- 1.2 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 SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of Mutual Fund Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as an open ended "Shari'ah compliant equity scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at Rs. 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 9 January 2015 and are transferable and redeemable by surrendering them to the Fund.
- 1.4 The objective of the fund is to provide investors with long-term capital growth from an actively managed portfolio of shari'ah compliant listed equities securities. The investment objectives and policies are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an Asset Manager Rating of AM1 of Management Company and performance ranking of "5 - Star" to the Fund.
- 1.6 The title to the assets of the Fund is held in the name of the Central Depository Company Limited 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 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 STATEMENT OF COMPLIANCE

- 2.1 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 as 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 ; and
 - The requirements of the Trust Deed , the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

Wherever provisions of and directives issued under the Companies Act , 2017 ,the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or the directives issued by the SECP differ with the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



2.1.1 These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should 'therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

2.2 Basis of Measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

(a) Amendments to published approved accounting standards which are effective during the six months period ended December 31, 2022

There are certain amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this condensed interim financial statements.

(b) Standards and amendments to published approved accounting standards that are not yet effective

Certain new standards and amendments to the approved accounting standards will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

The principal accounting policies applied in the preparation of this condensed interim financial statements as set out below:

3.1 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2022.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.



- 3.3** There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.
- 3.4** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2022

4	BANK BALANCES	Note	(Un-audited)	(Audited)
			December 31, 2022	June 30, 2022
	In current accounts		10,997	13,367
	In savings accounts	4.1	62,380	130,437
			73,377	143,804

- 4.1** These accounts carry profit at rates ranging from 7% to 15.04% (30 June 2022: 6.5% to 15.59%) per annum.

5 INVESTMENTS

Financial assets 'at fair value through profit or loss'

- Listed equity securities	5.1	4,166,752	5,078,506
----------------------------	-----	------------------	------------------

5.1 Listed equity securities

All shares have a nominal face value of Rs.10 each except for the shares of Agriauto Industries Limited, AI-Ghazi Tractors Limited, Dynea Pakistan Limited, Shabbir Tiles & Ceramics Limited, Synthetic Products Enterprises Limited and Thal Limited which have a face value of Rs 5 each.

Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total investments	
No. of shares.....					Rupees in '000%		
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	68,150	-	12,479	62,562	18,067	5,234	0.12	0.13	0.01
Pakistan State Oil Company Limited	1,310,353	29,100	-	331,193	1,008,260	145,179	3.45	3.48	0.21
Hascol Petroleum Limited	1,583	-	-	-	1,583	9	0.00	0.00	0.00
	1,380,086	29,100	12,479	393,755	1,027,910	150,422	4	4	0.2
OIL & GAS EXPLORATION COMPANIES									
Pakistan Oilfields Limited	472,052	35,200	-	110,645	396,607	155,807	3.71	3.74	0.14
Pakistan Petroleum Limited	5,342,374	432,700	-	520,576	5,254,498	368,041	8.52	8.59	0.19
Mari Petroleum Company Limited	253,271	-	-	25,040	228,231	353,064	8.40	8.47	0.17
Oil and Gas Development Company Limited	4,980,037	350,971	-	542,000	4,789,008	381,492	9.08	9.16	0.11
	11,047,734	818,871	-	1,198,261	10,668,344	1,248,405	30	30	1
FERTILIZERS									
Engro Fertilizers Limited	-	31,000	-	8,161	22,839	1,756	0.04	0.04	0.00
Engro Corporation Limited	1,417,858	76,100	-	180,600	1,313,358	344,113	8.19	8.26	0.23
Fauji Fertilizer Bin Qasim Limited	2,397,000	126,000	-	910,000	1,613,000	24,727	0.59	0.59	0.12
	3,814,858	233,100	-	1,098,761	2,949,197	370,596	9	9	0



Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total investments	
						Rupees in '000	%		
CEMENT									
Kohat Cement Limited	2,243,510	69,261	-	105,643	2,207,128	325,993	7.76	7.82	1.10
Lucky Cement Limited	698,289	24,396	-	171,737	550,948	246,042	5.85	5.90	0.17
Maple Leaf Cement Factory Limited	784,171	65,000	-	685,000	164,171	3,705	0.09	0.09	0.02
Fauji Cement Company Limited	3,201,000	1,139,500	425,188	1,282,000	3,483,688	41,874	1.00	1.00	0.14
Attock Cement (Pakistan) Limited	638,100	40,500	-	-	678,600	38,375	0.91	0.92	0.49
	7,565,070	1,338,657	425,188	2,244,380	7,084,535	655,989	16	16	2
MISCELLANEOUS									
Ecopack Limited	2,520	-	378	-	2,898	47	0.00	0.00	0.01
Synthetic Products Enterprises Limited	126,452	-	-	-	126,452	1,252	0.03	0.03	0.06
	128,972	-	378	-	129,350	1,299	0	0	0
AUTOMOBILE PARTS & ACCESSORIES									
Agriautos Industries Limited	200	-	50	-	250	21	0.00	0.00	0.00
Thal Limited	64,400	-	-	8,000	56,400	10,900	0.26	0.26	0.07
Baluchistan Wheels Limited	1,500	-	-	-	1,500	106	0.00	0.00	0.01
Panther Tyres Limited	2,066,999	-	-	325,500	1,741,499	36,084	0.86	0.87	1.04
	2,133,099	-	50	333,500	1,799,649	47,111	1	1	1
AUTOMOBILES ASSEMBLER									
Millat Tractors Limited	78,945	-	4,678	83,620	3	1	0.00	0.00	0.00
Honda Atlas Cars (Pakistan) Limited	171,100	4,800	-	148,600	27,300	4,539	0.11	0.11	0.02
Al-Ghazi Tractors Limited	-	16,500	-	-	16,500	5,247	0.12	0.13	0.03
	250,045	21,300	4,678	232,220	43,803	9,787	0	0	0
GLASS AND CERAMICS									
Tariq Glass Industries Limited	578,874	25,000	119,220	193,714	529,380	34,473	0.82	0.83	0.31
Shabbir Tiles and Ceramics Limited	5,871,000	75,000	-	-	5,946,000	51,136	1.22	1.23	2.48
	6,449,874	100,000	119,220	193,714	6,475,380	85,609	2	2	3
ENGINEERING									
Mughal Iron and Steel Industries Limited	2,936,804	72,938	-	389,386	2,620,356	126,589	3.01	3.04	0.78
International Steels Limited	214,600	-	-	214,600	-	-	-	-	-
International Industries Limited	350,209	-	-	350,209	-	-	-	-	-
Aisha Steel Mills Limited	1,863,776	-	-	175,940	1,687,836	13,857	0.33	0.33	0.18
	5,365,389	72,938	-	1,130,135	4,308,192	140,447	3	3	1
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	2,970,433	129,000	-	33,500	3,065,933	144,865	3.45	3.48	1.02
Nishat Mills Limited	804,520	-	-	-	804,520	44,241	1.05	1.06	0.23
Interloop Limited	1,015,199	-	11,032	933,900	92,331	5,231	0.12	0.13	0.01
	4,790,152	129,000	11,032	967,400	3,962,784	194,336	5	5	1
PAPER AND BOARD									
Cherat Packaging Limited.	2	-	-	-	2	-	-	-	0.00
Roshan Packages Limited	2,080,500	-	-	14,500	2,066,000	22,602	0.54	0.54	1.46
Century Paper and Board Mills Limited	-	37,500	3,750	25,500	15,750	779	0.02	0.02	-
	2,080,502	37,500	3,750	40,000	2,081,752	23,381	1	1	1
PHARMACEUTICALS									
Abbot Laboratories (Pakistan) Limited	59,800	-	-	46,900	12,900	5,977	0.14	0.14	0.01
The Searle Company Limited	821,674	-	199,169	148,052	872,791	51,381	1.22	1.23	0.33
Haleon Pakistan Limited	33,900	-	-	-	33,900	5,556	0.13	0.13	0.02
AGP Limited	286,334	-	-	1,749	284,585	18,495	0.44	0.44	-
IBL HealthCare Limited	92,760	-	6,276	33,500	65,536	2,464	0.06	0.06	0.09
Citi Pharma Ltd.	522,354	-	-	86,500	435,854	10,526	0.25	0.25	0.19
	1,816,822	-	205,445	316,701	1,705,566	94,399	2	2	1



Name of the investee company	As at July 01, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of		Holding as a percentage of Paid up capital of the investee company
							Net assets	Total investments	
						Rupees in '000	%		
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	17,053	32,000	-	-	49,053	3,239	0.08	0.08	0.02
Systems Limited	935,096	2,500	-	158,550	779,046	377,004	8.97	9.05	0.27
Pakistan Telecommunication Company Limited	835,000	-	-	835,000	-	-	-	-	-
	1,787,149	34,500	-	993,550	828,099	380,243	9	9	0
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	4,605,481	338,000	-	559,412	4,384,069	276,547	6.58	6.64	0.34
	4,605,481	338,000	-	559,412	4,384,069	276,547	7	7	0
COMMERCIAL BANKS									
Meezan Bank Limited	2,809,082	45,000	255,392	408,159	2,701,315	268,889	6.40	6.45	0.15
FOOD AND PERSONAL CARE PRODUCTS									
Al-Shaheer Corporation Limited	18,378	-	-	-	18,378	187	0.00	0.00	0.01
At-Tahur Limited	563,042	168,500	73,154	-	804,696	13,752	0.33	0.33	0.37
Shezan International Limited	111,760	-	-	-	111,760	16,561	0.39	0.40	1.16
Bunny's Limited	127,500	-	-	-	127,500	1,881	0.04	0.05	0.19
	820,680	168,500	73,154	-	1,062,334	32,381	1	1	2
CHEMICAL									
Engro Polymer and Chemicals Limited	1,741,381	47,000	-	826,314	962,067	40,715	0.97	0.98	0.11
I.C.I. Pakistan Limited	46,800	-	-	6,500	40,300	25,894	0.62	0.62	0.04
Dynea Pakistan Limited	4,200	-	-	-	4,200	651	0.02	0.02	0.02
Sitara Peroxide Limited	565,000	-	-	366,000	199,000	3,264	0.08	0.08	0.36
Descon Oxychem Limited	14,500	-	-	-	14,500	320	0.01	0.01	0.01
	2,371,881	47,000	-	1,198,814	1,220,067	70,843	2	2	1
TRANSPORT									
Pakistan National Shipping Corporation Limited	-	553,500	-	-	553,500	56,319	1.34	1.35	0.42
Pakistan International Bulk Terminal Limited	5,003,500	-	-	200,000	4,803,500	22,769	0.54	0.55	0.27
	5,003,500	553,500	-	200,000	5,357,000	79,087	2	2	1
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	3,758,960	80,000	-	983,500	2,855,460	36,978	0.88	0.89	0.33
LEATHER & TANNERIES									
Service Global Footwear Limited	74,748	-	-	74,748	-	-	-	-	-
Total as at December 31, 2021	68,054,084	4,046,966	1,110,766	12,567,010	60,644,806	4,166,752	99	100	
Carrying value as at December 31, 2021						<u>4,344,229</u>			

5.1.1 Investments include shares with market value of Rs. 360.72 million (30 June 2022: Rs. 376.94 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

5.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise-



of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) have withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 3.51 million (30 June 2022: Rs. 4.199 million) and not deposited in CDC account of department of Income Tax.

		(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
5.2	Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		
	Market value of securities	5.1 4,166,752	6,469,196
	Less: carrying value of investments	(4,344,229)	(6,868,866)
		<u>(177,477)</u>	<u>(399,670)</u>
6	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration of the Management Company	6.1 7,385	8,693
	Sindh Sales Tax on the remuneration of the Management Company	6.2 960	1,130
	Reimbursement of operational expenses to the Management Company	6.3 2,337	2,842
	Reimbursement of selling and marketing expenses	6.4 18,114	22,027
	Sales and transfer load payable to Management Company	5,539	4,344
	ADC Payable Including SST	79	75
	Other payable	20	20
		<u>34,434</u>	<u>39,131</u>

6.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration as follows:

- From 01 July 2020 to 1 February 2022, at the rate of 1.5% of the average annual net assets of the Fund.
- From 2 February 2022 to 30 April 2022, at the rate of 2.0% of the average annual net assets of the Fund.

The remuneration is payable to the Management Company monthly in arrears.

6.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.3 In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the management company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. On 20 June 2019 SECP vide S.R.O. 639-

(l)/2019 has substitute clause (s) of sub regulation 3 of regulation 60 and accordingly has removed cap charging 0.1% per annum of average daily net asset on account of fee and expenses related to registrar services, accounting, operation and valuation services. During the period ended 31 December, 2021, the Management Company has charged allocated expenses at the rate of 0.15% of average daily net assets till 25 July 2021 and with effect from 26 July 2021, the Management Company has revised its rate to 0.20% of the average annual net assets of the Fund.

- 6.4** As per Circular 5 of 2018 dated 4 June 2018 issued by SECP, the Asset Management Company was entitled to charge selling and marketing expense to Collective Investment Scheme upto 0.4% per annum of net assets of Fund or actual expenses whichever is lower for initial three years. Circular 11 of 2019 dated 5 July 2019, issued by SECP superseded the above stated Circular and has revised the conditions and waived capping for charging selling and marketing expense. During the period ended 31 December 2021, the Management Company has charged selling and marketing expenses as follows:

Period	Rate per annum
1 July 2021 to 19 September 2021	2% of net assets or actual expenses whichever is lower.
20 Sept 2021 to 1 Feb 2022	2.05% of net assets or actual expenses whichever is lower.
2 Feb 2022 to 31 Dec 2022	1.55% of Net Assets

	Note	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
Note ----- (Rupees in '000) -----			
7 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration	7.1	454	517
Sindh sales tax on trustee remuneration	7.2	59	67
		513	584

- 7.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund which is as follows:

Net assets	Tariff per annum
Upto Rs. 1,000 million	0.20% per annum of net assets,
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

- 7.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorized as an equity scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan, an amount equal to 0.02% per annum of the average net assets of the Fund. The fee is paid annually in arrears.



		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Worker's Welfare Fund	9.1	-	-
Federal Excise Duty on management remuneration	9.2	8,209	8,209
Federal Excise Duty on sales load		2,327	2,327
Auditors' remuneration payable		388	517
Brokerage payable		376	270
Settlement and bank charges		204	176
Legal fee		90	145
Shari'ah advisor fee payable		526	1,010
Charity payable		19,353	17,006
Withholding tax payable		16	258
Capital gain tax payable		272	284
Payable against printing charges		71	44
		31,832	30,246

9.1 SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

9.2 The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2021. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 8.209 million (30 June 2021: Rs. 8.209 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0203 (30 June 2022: Rs. 0.0168) per unit.

10 CONTINGENCY AND COMMITMENT

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

11 TAXATION

11.1 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% 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. Since, the Management Company intends to distribute its accounting income as per its distribution policy for the year ending 30 June 2023 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial statements.



12 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the period divided by average net asset value for the year) is 4.33% (2021: 4.23%) per annum. Total expense ratio (excluding government levies) is 4.03% (2021: 4%) per annum.

13 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

13.1 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.

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

13.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

13.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust of Deed.

13.5 The details of significant transactions and balances with connected persons at period end except those disclosed elsewhere in these financial statements are as follows:

	(Un-audited)	
	Half year ended	
	2022	2021
	----- (Rupees in '000) -----	
13.6 Transactions during the period:		
NBP Fund Management Limited - (Management Company)		
Remuneration of the Management Company	48,619	55,747
Sindh sales tax on remuneration of the Management Company	6,320	7,247
Reimbursement of operational expenses to the Management Company	4,862	7,157
Reimbursement of selling and marketing expenses	37,680	75,310
Sales load and transfer load	1,056	3,742
Sales tax on sales load and transfer load	137	267
ADC share including SST	4	110
Central Depository Company of Pakistan Limited - (Trustee)		
Remuneration for the period	2,935	4,221
Sindh sales tax on remuneration of the Trustee	382	549
Employees of the Management Company		
Issue of 22,229,393 units (2021: 22,908,490 units)	239,941	284,797
Redemption of 25,008,816 units (2021: 23,843,931 units)	270,176	296,424
Taurus Securities Limited- (Subsidiary of Parent Company)		
Brokerage expense	127	336
Bank Islami Pakistan Limited- (Common Directorship)		
Profit on bank deposits	3,304	1,269



	(Un-audited)	
	Half year ended	
	2022	2021
	----- (Rupees in '000) -----	
International Steels Limited- (Common Directorship)		
Shares purchased: Nil (2021: 13,000 shares)	-	1,326
Shares sold: 214,600 (2021: 815,000 shares)	12,522	64,680
Dividend income	245	5,557
Portfolio managed by Management Company		
Units issued : 9,177 (2021: 2,152,028 units)	100	27,074
Units redeemed : 3,513,199 (2021: 1,167,490 units)	37,761	14,469
National Clearing Company of Pakistan Limited-(Common Directorship)		
*NCCPL charges	-	193
NBP Fund management Limited - Employees provident fund		
Units Issued : 818,605 (2021 : Nilunits)	8,901	
Units redeemed : 937,861 (2021: 178,340) units	10,080	2,300
*Punjab Pension Fund Trust- (Related Party)		
Units issued : Nil (2021: 2,687,264)		35,000
Humayun Bashir - Director		
Units redeemed : Nil (2021: 763,386)	-	9,070

Current balances with these parties have not been disclosed as these parties were not related parties as at year end

13.7		(Un-audited)	(Audited)
		December 31,	June 30,
		2022	2022
		----- (Rupees in '000) -----	
Balances as at period / year end are as follows:			
NBP Fund Management Limited - (Management Company)			
	Remuneration payable to the Management Company	7,385	8,693
	Sindh sales tax payable on remuneration of the Management Company	960	1,130
	Reimbursement of operational expenses to the Management Company	2,337	2,842
	Reimbursement of Selling and marketing expenses	18,114	22,027
	Sales load and transfer load including SST	5,539	4,344
	ADC payable including SST	79	75
	Other payable	20	20
**Punjab General Provident Fund - unit holders with more than 10% holding			
	Units Held: 50,020,425 (2022: Nil)	520,037	-
**Security Papers Limited - unit holders with more than 10% holding			
	Units Held: 44,524,829 (2022: Nil)	462,902	-

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
Employees of the Management Company		
Units held: 2,308,468 (2022: 4,976,529 units)	24,000	52,781
Rohma Amjad- (Shareholders of Management Company)		
Units held: 1,569 units (2022:1,569 Units)	16	17
NBP Fund management Limited - (Employees provident fund)		
Units held: Nil units (2022:119,256 units)	-	1,265
Central Depository Company of Pakistan Limited - (Trustee)		
Trustee fee payable	454	517
Sindh sales tax payable	59	67
Security deposit	103	103
National Bank of Pakistan- (Parent Company)		
Bank balances	673	747
Profit receivable	19	9
Bank Islami Pakistan Limited- (Common Directorship)		
Bank balances	27,656	32,228
Profit receivable	420	374
International Steels Limited- (Common Directorship)		
Shares held: Nil (2022: 214,600)	-	12,739
Taurus Securities Limited- (Common Directorship)		
Brokerage payable	1	-
National Clearing Company of Pakistan Limited- (Common Directorship)		
*Security deposit	-	2,530
*NCCPL charges payable	-	39
Punjab Pension Fund Trust- (Related Party) - unit holders with more than 10% holding		
Units held: 64,190,036 (2022: Nil)	667,352	-
Portfolio managed by Management Company		
Units held: 1,527,267 (2022:3,353,776)	15,878	35,570

* Current balances with these parties have not been disclosed as these parties were not related parties as at year end

** Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurement' requires the Fund to classify fair value measurements 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 that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount			Fair value			
	At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2022	----- (Unaudited) -----						
Note	----- (Rupees in '000) -----						
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investment							
- Equity securities - listed	4,166,752	-	4,166,752	4,166,752			4,166,752
Financial assets not measured at fair value	14.1						
Bank balances	-	73,377	73,377				
Receivable from funds under management by Management Company against conversion of units	-	14,906	14,906				
Receivable against sale of units	-	-	-				
Dividend and profit receivables	-	1,669	1,669				
Advances, deposits and prepayments	-	7,123	7,123				
	-	97,074	97,074				



	Carrying amount			Fair value			
	At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2022	----- (Unaudited) -----						
Note	----- (Rupees in '000) -----						
Financial liabilities not measured at fair value	14.1						
Payable to NBP Fund Management Limited - Management Company	-	34,434	34,434				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	513	513				
Payable against purchase of investments	-	-	-				
Payable against conversion and redemption of units	-	36,365	36,365				
Accrued expenses and other liabilities	-	21,008	21,008				
	-	92,321	92,321				
June 30, 2022	----- (Audited) -----						
	----- (Rupees in '000) -----						
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments							
- Equity securities - listed	5,078,506	-	5,078,506	5,078,506			5,078,506
Financial assets not measured at fair value							
Bank balances	-	143,804	143,804				
Receivable against sale of investments	-	32,483	32,483				
Dividend and profit receivables	-	3,491	3,491				
Advances, deposits and prepayments	-	7,256	7,256				
Receivable from funds under management by Management Company against conversion of units		1,152	1,152				
	-	188,186	188,186				
Financial liabilities not measured at fair value							
Payable to NBP Fund Management Limited - Management Company	-	39,131	39,131				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	584	584				
Accrued expenses and other liabilities	-	30,246	30,246				
Payable against conversion and redemption of units		7,345	7,345				
	-	77,306	77,306				

14.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.



14.2 Financial instruments not measured at FVTPL include net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these condensed interim financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

15 GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

15.2 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended December 31, 2022 in these condensed interim financial statements, wherever appearing, have not been reviewed by the auditors.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 21, 2023.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds