

Rated by PACRA  
**AM1**

**HALF YEARLY REPORT**  
DECEMBER 31, 2021

# **NAFA ISLAMIC ACTIVE ALLOCATION FUND – II**



*Managing Your Savings*

**NBP FUNDS**

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

## MISSION STATEMENT



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## FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Allied Bank Limited  
Bank Islami Pakistan Limited  
Bank Al Habb Limited  
Faysal Bank Limited  
Sonei Bank Limited  
Dubai Islamic Bank Pakistan Limited  
Habb Bank Limited  
JS Bank Limited  
United Bank Limited

**Auditor**

Grant Thornton Anjum Rahman.  
1st & 3rd Floor,  
Modern Motors House, Beaumont Road,  
Karachi, 75530

**Legal Advisor**

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

**Head Office**

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

**Lahore Office**

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

**Islamabad Office**

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

**Peshawar Office**

Opposite Gul Haji Plaza, 2nd Floor  
National Bank Building  
University Road Peshawar,  
UAN: 091-111 111 632  
Fax: 091-5703202

**Multan Office**

Khan Center, 1st Floor,  
Abdali Road, Multan.  
Phone No. : 061-4540301-6, 061-4588661-2&4



Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspatti sectors lagged the market. In terms of participant-wise activity, Individuals, Insurance, and Companies remained the largest buyers during the period with net inflows of USD 72 million, USD 66 million and USD 60 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 250 million.

On the positive side, Roshan Digital Account (RDA) continued to grow with vigour, as cumulative flows stood at USD 3.2 billion at Dec-21 (net inflows of around USD 1.6bn in 1HFY22). The country also received around USD 2.75bn from IMF under its new Special Drawing Rights (SDR) allocation, under its historic funding of USD 650bn for the developing and developed member countries. In addition to it, the country was able to secure USD 4.2 billion support package from Saudi Arabia, which involved USD 3 billion deposit with SBF and the remaining as oil supplies on deferred payments during the year.

Further dented the stock market performance. necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, of the IMF program, which is on hiatus since March-21, was another reason for uneasiness in the market. Lastly, the tightening during the period as Policy Rate was raised by a cumulative 2.75% in the 1H. Inordinate delay in the resumption under review. To compress both the external imbalances and the high inflation, the central bank resorted to monetary going forward. Monthly inflation reading also kept creeping up and average inflation stood at around 9.8% for the period factors caused uncertainty in terms of outlook, as investors weighed the impact on margins and corporate profitability. For the same reason, PKR remained under duress and depreciated by a significant 12% during the period. Both these respectively, import bill rose massively by 57% on a YoY basis, and current account deficit clocked in at USD 9.1bn. Despite healthy growth in remittances and goods exports, which surged by 11.3% and 29% also came to the fore as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated in key economic variables. Although the economic growth picked further steam during the year, the external vulnerabilities along with healthy payouts. However, the market performance remained subdued which can be attributed to deterioration June period and September period results came in during 1H, whereby companies posted massive growth in profits

the period under review. After impressive return in FY21, the 1HFY22 has remained lackluster for the stock market in terms of performance. The market oscillated in a narrow range during the period, amid thin volumes, showing lack of interest on part of investors and at period close, the benchmark KMI-30 index fell by around 4,934 points, translating into a decline of 6.4% during

**Islamic Income Fund:** NBP Islamic Income Fund  
**Islamic Equity Fund:** NBP Islamic Active Allocation Equity Fund &  
**Islamic Money Market Fund:** NBP Islamic Money Market Fund & NBP Islamic Daily Dividend Fund

NAFA Islamic Active Allocation Fund-II has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans including NAFA Islamic Active Allocation Plan-VI (NIAAP-VI), NAFA Islamic Active Allocation Plan-VII (NIAAP-VII), NAFA Islamic Active Allocation Plan-VIII (NIAAP-VIII), NAFA Islamic Capital Preservation Plan-I & NAFA Islamic Capital Preservation Plan-II

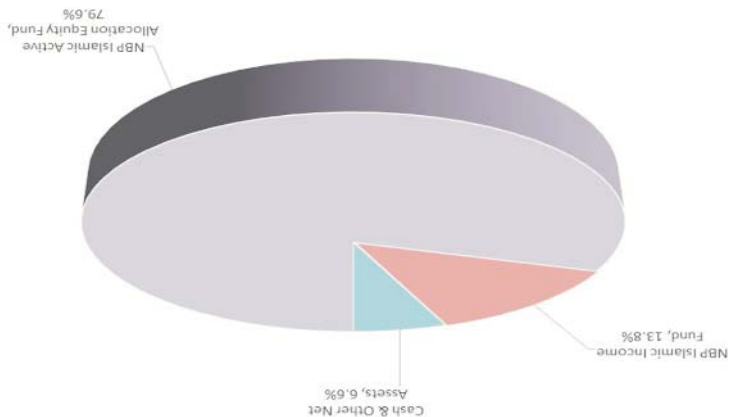
The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NAFA Islamic Active Allocation Fund - II (NIAAF - II)** for the half year ended December 31, 2021.

## DIRECTORS' REPORT

The size of the Fund is Rs.28 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been the Fund has outperformed its Benchmark by 5.4%. This performance is net of management fee and all other expenses. 31, 2021, thus showing an increase of 17.8%. The Benchmark increased during the same period was 12.4%. Thus, Active Allocation Plan-VII (NIAAP-VII) has increased from Rs.89,8190 on June 29, 2017 to Rs. 105,8138 on December on June 30, 2021 to Rs. 105,8138 on December 31, 2021, thus showing an increase of 3.9%. The Benchmark decreased During the period, the unit price of NAFA Islamic Active Allocation Plan-VII (NIAAP-VII) has increased from Rs. 101,8358

#### Plan's Performance

#### NAFA Islamic Active Allocation Plan-VII (NIAAP-VII)



Fund as on December 31, 2021 is as follows:

NAFA Islamic Active Allocation Plan-VI (NIAAP-VI) has incurred a total income of Rs. 3.64 million during the period. After deducting for total expenses of Rs. 0.35 million, the net income is Rs. 3.29 million. The asset allocation of the

is one-off event and shall no to be repeated in the future.

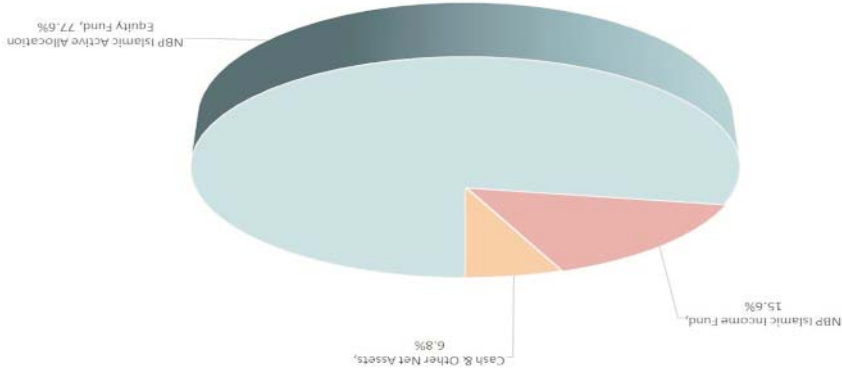
has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This Thus, the Fund has outperformed its Benchmark by 11.6%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.28 million. During August 2021, provisioning against Sindh Workers' Welfare Fund December 31, 2021, thus showing an increase of 21.1%. The Benchmark increased during the same period was 9.5%. Active Allocation Plan-VI (NIAAP-VI) has decreased from Rs.86,5969 (EX-Div) on May 26, 2017 to Rs. 104,8708 on by 4.5%. Thus, the Fund has outperformed its Benchmark by 11.2%. Since inception, the unit price of NAFA Islamic on June 30, 2021 to Rs. 104,8708 on December 31, 2021, thus showing an increase of 6.7%. The Benchmark decreased During the period, the unit price of NAFA Islamic Active Allocation Plan-VI (NIAAP-VI) has increased from Rs. 98,3310

#### Plan's Performance

#### NAFA Islamic Active Allocation Plan-VI (NIAAP-VI)

near-term, MPC expects monetary policy settings to remain broadly unchanged. year due to the rise in utility charges, motor fuel, house rent, milk and other household consumables. However, in the owing to high global prices and domestic demand growth. SBF expects inflation to average 9% - 11% during the fiscal pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, Committee (MPC) of SBF raised the Policy Rate by 275 basis points to 9.75%, in order to counter the inflationary market, although it remained under-supplied against a large and growing demand. During 1HFY22, the Monetary Policy The market saw a decent increase in the issuance of short-term debt securities and commercial papers in the primary





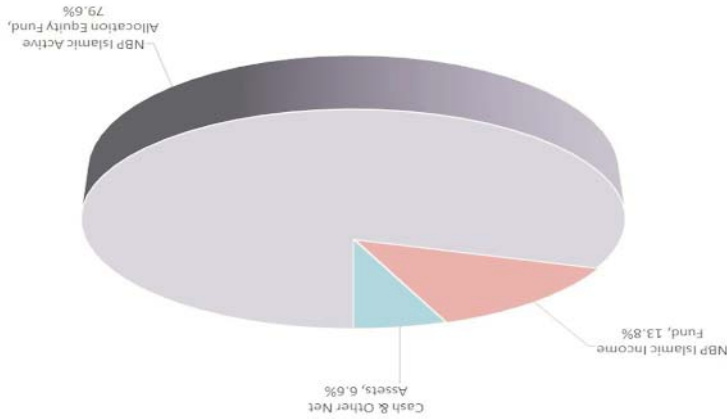
Fund as on December 31, 2021 is as follows:

NAFA Islamic Active Allocation Plan-VIII (NIAAP-VIII) has incurred a total income of Rs. 3.24 million during the period. After deducting for total expenses of Rs. 0.35 million, the net income is Rs. 2.89 million. The asset allocation of the

Fund. This is one-off event and shall no to be repeated in the future. Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the all other expenses. The size of the Fund is Rs.50 million. During August 2021, provisioning against 'Sindh Workers' 24.4%. Thus, the Fund has outperformed its Benchmark by 13.8%. This performance is net of management fee and on December 31, 2021, thus showing an increase of 38.2%. The Benchmark increased during the same period was Active Allocation Plan-VIII (NIAAP-VIII) has increased from Rs.90.0431 (Ex-Div) on November 03, 2017 to Rs. 124.4264 by 4.5%. Thus, the Fund has outperformed its Benchmark by 9.8%. Since inception, the unit price of NAFSA Islamic on June 30, 2021 to Rs. 124.4264 on December 31, 2021, thus showing an increase of 5.3%. The Benchmark decreased During the period, the unit price of NAFSA Islamic Active Allocation Plan-VIII (NIAAP-VIII) has increased from Rs. 118.1734

**Plan's Performance**

**NAFA Islamic Active Allocation Plan-VIII (NIAAP-VIII)**



Fund as on December 31, 2021 is as follows:

NAFA Islamic Active Allocation Plan-VII (NIAAP-VII) has incurred a total income of Rs. 1.37 million during the period. After deducting for total expenses of Rs. 0.31 million, the net income is Rs. 1.06 million. The asset allocation of the

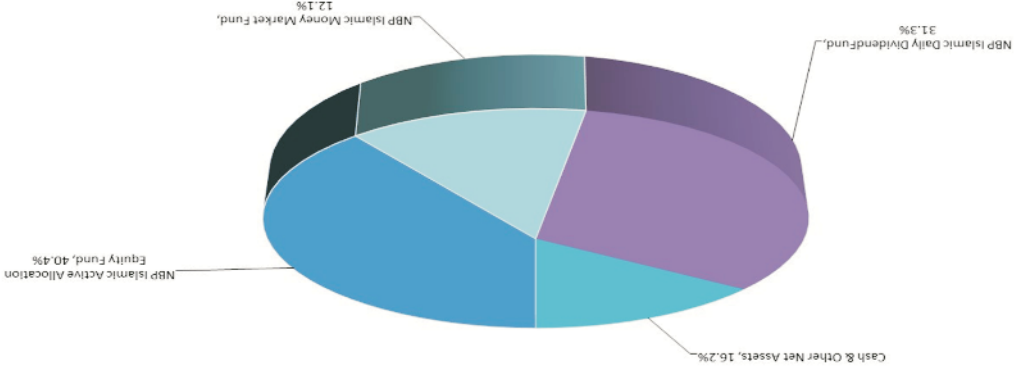
event and shall no to be repeated in the future. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off

NAFA Islamic Capital Preservation Plan-II (NICPP-II) has incurred a total income of Rs. 3.40 million during the period.

During the period, the unit price of NAFA Islamic Capital Preservation Plan-II (NICPP-II) has increased from Rs. 105.6406 (Ex-Div) on June 30, 2021 to Rs. 109.4159 on December 31, 2021, thus showing an increase of 3.6%. The Benchmark decreased by 1.9%. Thus, the Fund has outperformed its Benchmark by 5.5%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-II (NICPP-II) has increased from Rs. 89.1162 (EX-Div) on April 27, 2018 to Rs. 109.4159 on December 31, 2021, thus showing an increase of 22.8%. The Benchmark increased during the same period was 11.8%. Thus, the Fund has outperformed its Benchmark by 11.0%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.48 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

**Plan's Performance**

**NAFA Islamic Capital Preservation Plan-II (NICPP-II)**



Fund as on December 31, 2021 is as follows:

NAFA Islamic Capital Preservation Plan-I (NICPP-I) has incurred a total income of Rs. 5.61 million during the period.

After deducting for total expenses of Rs. 0.61 million, the net income is Rs. 5.00 million. The asset allocation of the Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

During the period, the unit price of NAFA Islamic Capital Preservation Plan-I (NICPP-I) has increased from Rs. 111.8859 on June 30, 2021 to Rs. 117.1729 on December 31, 2021, thus showing an increase of 4.7%. The Benchmark decreased by 2.4%. Thus, the Fund has outperformed its Benchmark by 7.1%. Since inception, the unit price of NAFA Islamic Capital Preservation Plan-I (NICPP-I) has increased from Rs. 87.9199 (EX-Div) on February 28, 2018 to Rs. 117.1729 on December 31, 2021, thus showing an increase of 33.3%. The Benchmark increased during the same period was 20.0%. Thus, the Fund has outperformed its Benchmark by 13.3%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.97 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

**Plan's Performance**

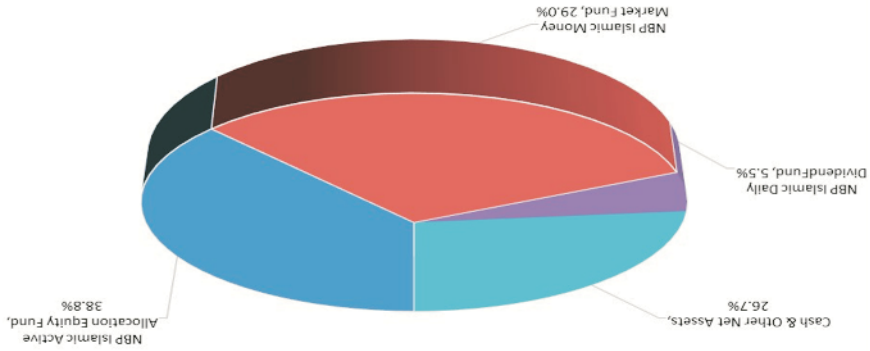
**NAFA Islamic Capital Preservation Plan-I (NICPP-I)**

# NAFA ISLAMIC ACTIVE ALLOCATION FUND-II

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After deducting for total expenses of Rs.0.51 million, the net income is Rs. 2.89 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



## Acknowledgement

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

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

On behalf of the Board of

**NBP Fund Management Limited**

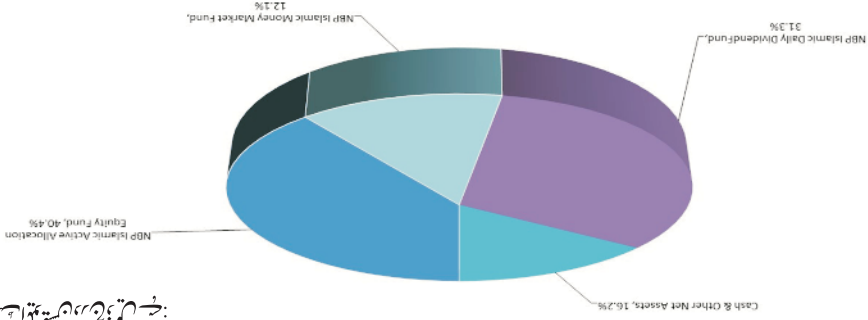
**Chief Executive**

**Director**

Date: **February 23, 2022**  
Place: Karachi.







31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

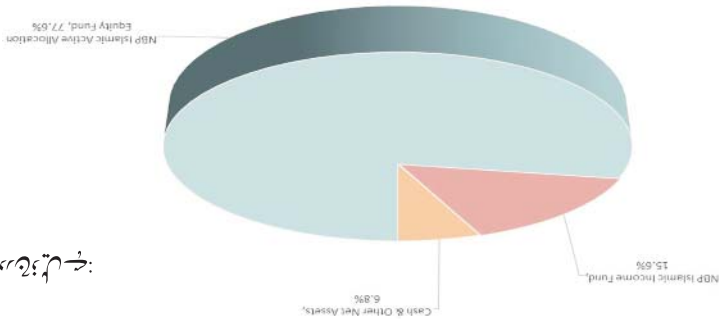
نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

**نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس**

**NIFA Islamic Active Allocation Fund (NICPP-I)**



31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس کے حصے 31 دسمبر 2021 کو فیڈل اسیٹس ایلیمنٹس درج ذیل ہیں:

**نفا اسلامک ایکٹیو الیمینٹس ایلیمنٹس**

**NIFA Islamic Income Fund (NIAAP-VIII)**

پیشہ کرنا ہے

23:23، 2022ء

پیشہ کرنا ہے

پیشہ کرنا ہے

NBP Islamic Money

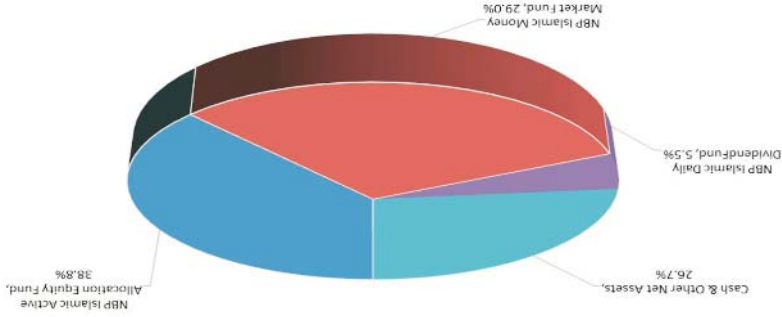
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NBP Islamic Active Allocation Equity Fund (NICPP-II)

Karachi, February 25, 2022

**Baduddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

- (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.

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFI Islamic Active Allocation Fund-II (the Fund) are of the opinion that NBF 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, 2021 in accordance with the provisions of the following:

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

## TRUSTEE REPORT TO THE UNIT HOLDERS

**NAFA ISLAMIC ACTIVE ALLOCATION FUND-II**



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## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Active Allocation Fund - II** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (hereafter referred to as the "interim financial statements"). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

1) The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021; and

2)

The condensed interim financial statements for the half year ended December 31, 2020 and the annual financial statements for the year ended June 30, 2020 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 26, 2021 and audit report dated September 16, 2021 expressed an unmodified conclusion and an unmodified opinion, on the aforementioned financial statements.

Naseeb.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat**

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Date: February 23, 2022  
Karachi





## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021				Half year ended December 31, 2020					
	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total
<b>INCOME</b>										
Gain on sale of investments - net	1,650	405	906	1,078	6,052	1,756	10,446	2,971	1,130	22,365
Dividend income	-	-	-	607	-	-	-	-	-	-
Profit on bank balances	1,08	90	144	807	549	140	297	397	3,328	4,711
	1,758	495	1,050	2,082	6,601	1,896	10,743	3,368	4,458	27,066
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	706	658	1,248	1,528	23,618	5,257	11,115	17,288	7,486	64,764
<b>Total Income</b>	2,464	1,153	2,298	3,610	30,219	7,153	21,858	20,656	11,944	91,830
<b>EXPENSES</b>										
Remuneration of NBP Fund Management Limited - The Management Company	15	9	19	60	65	13	35	48	519	680
Sindh Sales Tax on remuneration of the Management Company	2	1	2	8	8	2	5	6	67	88
Remuneration of Central Depository Company of Pakistan Limited - The Trustee	15	10	19	38	54	12	31	59	50	206
Annual fee of the Securities and Exchange Commission of Pakistan	2	1	2	5	2	2	4	8	6	27
Settlement and bank charges	4	3	5	11	15	4	9	17	14	59
Listing fee	1	1	1	29	-	-	-	19	39	58
Auditors' remuneration	3	3	3	14	3	3	3	3	3	15
Reimbursement of allocated expenses	165	145	146	168	110	121	134	80	68	513
Legal and professional charges	22	14	27	54	77	18	45	85	71	296
Shariah advisor fee	124	123	113	216	18	28	32	66	60	204
Printing charges	-	4	-	4	9	49	11	12	18	99
	4	1	11	14	13	28	48	18	16	123
<b>Total expenses</b>	357	311	348	612	379	280	357	421	931	2,368
<b>Net income from operating activities</b>	2,107	842	1,950	2,998	29,840	6,873	21,501	20,235	11,013	89,462
Reversal/(provision) for Sindh Workers' Welfare Fund	1,178	215	939	2,004	(597)	(137)	(430)	(405)	(220)	(1,789)
<b>Net income for the period before taxation</b>	3,285	1,057	2,889	5,002	29,243	6,736	21,071	19,830	10,793	87,673
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	3,285	1,057	2,889	5,002	29,243	6,736	21,071	19,830	10,793	87,673
<b>Allocation of net income for the period</b>	3,285	1,057	2,889	5,002	29,243	6,736	21,071	19,830	10,793	87,673
Net income for the period after taxation	(1,551)	-	(393)	(637)	(2,464)	(846)	(8,754)	(3,984)	(1,759)	(17,807)
Income already paid on units redeemed	1,734	1,057	2,496	4,365	26,779	5,890	12,317	15,846	9,034	69,866
<b>Accounting income available for distribution</b>	1,794	1,057	2,154	2,606	27,174	6,148	12,641	16,184	7,126	69,273
- Relating to capital gains	-	-	342	1,759	-	(258)	(324)	(338)	1,908	593
Excluding capital gain/(loss)	1,794	1,057	2,496	4,365	26,779	5,890	12,317	15,846	9,034	69,866
<b>Earnings per unit</b>										

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The annexed notes from 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Quarter ended December 31, 2021 (Rupees in 000)					Quarter ended December 31, 2020 (Rupees in 000)					
	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total
<b>INCOME</b>											
Gain on sale of investments - net	1,427	295	535	133	161	2,551	1,013	246	1,910	637	4,319
Dividend income	-	-	-	589	335	924	-	-	-	-	-
Profit on bank balances	-	65	116	313	53	625	206	70	243	1,528	2,159
	1,505	360	651	1,035	549	4,100	1,219	316	2,153	2,165	6,478
Unrealised (diminution)/appreciation on re-measurement of investments classified as at fair value through profit or loss - net	(529)	(84)	(121)	189	(151)	(696)	7,851	1,655	3,602	2,407	20,060
<b>Total income</b>	976	276	530	1,224	398	3,404	9,070	1,971	6,698	4,572	26,538
<b>EXPENSES</b>											
Remuneration of NBP Fund Management Limited - Management Company	8	5	11	28	22	74	29	6	13	24	305
Sindh Sales Tax on remuneration of the Management Company	1	1	1	4	3	10	3	1	2	3	39
Remuneration of Central Depository Company of Pakistan Limited - Trustee	6	5	9	18	12	50	27	6	13	24	97
Sindh Sales Tax on remuneration of the Trustee	1	-	1	2	2	6	3	1	2	2	12
Annual fee of the Securities and Exchange Commission of Pakistan	2	2	2	5	4	15	7	2	4	6	27
Settlement and bank charges	-	2	-	18	14	32	-	-	19	12	31
Listing fee	2	-	2	2	2	10	2	2	2	2	10
Auditors' remuneration	108	88	79	101	129	505	79	82	95	40	330
Reimbursement of allocated expenses	10	7	13	25	18	73	38	9	19	39	138
Legal and professional charges	68	62	67	108	96	401	9	14	16	30	121
Shariah advisor fee	-	-	-	-	4	4	1	47	1	7	57
Printing charges	-	-	-	-	1	7	1	24	38	8	80
<b>Total expenses</b>	206	172	191	311	307	1,187	199	194	205	421	1,247
<b>Net income from operating activities</b>	770	104	339	913	91	2,217	8,871	1,777	4,022	4,151	25,291
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	(178)	(35)	(80)	(83)	(506)
<b>Net income for the period before taxation</b>	770	104	339	913	91	2,217	8,693	1,742	3,942	4,068	24,785
Taxation	-	-	-	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	770	104	339	913	91	2,217	8,693	1,742	3,942	4,068	24,785
<b>Earning per unit</b>											

The annexed notes from 1 to 18 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021				Half year ended December 31, 2020							
	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-J	NICPP-II	Total	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total
<b>Net income for the period after taxation</b>	3,285	1,057	2,889	5,002	2,887	15,120	29,24	6,736	21,071	19,830	10,793	87,673
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>3,285</b>	<b>1,057</b>	<b>2,889</b>	<b>5,002</b>	<b>2,887</b>	<b>15,120</b>	<b>29,24</b>	<b>6,736</b>	<b>21,071</b>	<b>19,830</b>	<b>10,793</b>	<b>87,673</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

	Quarter ended December 31, 2021				Quarter ended December 31, 2020							
	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-J	NICPP-II	Total	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total
<b>Net income for the period after taxation</b>	770	104	339	913	91	2,217	8,693	1,742	3,942	6,340	4,068	24,785
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>770</b>	<b>104</b>	<b>339</b>	<b>913</b>	<b>91</b>	<b>2,217</b>	<b>8,693</b>	<b>1,742</b>	<b>3,942</b>	<b>6,340</b>	<b>4,068</b>	<b>24,785</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

For NBP Fund Management Limited  
(Management Company)



## CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021 NIAAP-VI (Rupees in '000)	December 31, 2021 NIAAP-VII (Rupees in '000)	December 31, 2021 NIAAP-VIII (Rupees in '000)	December 31, 2021 NICPP-I (Rupees in '000)	December 31, 2021 NICPP-II (Rupees in '000)	December 31, 2021 Total (Rupees in '000)
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	December 31, 2021 NIAAP-VI (Rupees in '000)	December 31, 2021 NIAAP-VII (Rupees in '000)	December 31, 2021 NIAAP-VIII (Rupees in '000)	December 31, 2021 NICPP-I (Rupees in '000)	December 31, 2021 NICPP-II (Rupees in '000)	December 31, 2021 Total (Rupees in '000)
Capital Value	179,548	179,548	179,548	179,548	179,548	179,548
Undistributed Income/(loss)	(131,601)	(131,601)	(131,601)	(131,601)	(131,601)	(131,601)
Total	47,947	47,947	47,947	47,947	47,947	47,947
Capital Value	27,105	27,105	27,105	27,105	27,105	27,105
Undistributed Income/(loss)	(20,097)	(20,097)	(20,097)	(20,097)	(20,097)	(20,097)
Total	59,742	59,742	59,742	59,742	59,742	59,742
Capital Value	57,046	57,046	57,046	57,046	57,046	57,046
Undistributed Income/(loss)	(2,696)	(2,696)	(2,696)	(2,696)	(2,696)	(2,696)
Total	14,719	14,719	14,719	14,719	14,719	14,719
Capital Value	87,109	87,109	87,109	87,109	87,109	87,109
Accumulated loss	4,590	4,590	4,590	4,590	4,590	4,590
Total	91,699	91,699	91,699	91,699	91,699	91,699
Capital Value	489,216	489,216	489,216	489,216	489,216	489,216
Undistributed Income / (accumulated loss)	(135,085)	(135,085)	(135,085)	(135,085)	(135,085)	(135,085)
Total	354,131	354,131	354,131	354,131	354,131	354,131

Net assets at the beginning of the period (audited)

Redemption of units:

NIAAP-VI: 222,524 units / NIAAP-VII: 488 units /  
NIAAP-VIII: 83,351 units / NICPP-I: 339,133 units  
/ NICPP-II: 432,887 units

- Capital value (at net asset value per unit at the  
beginning of the period)

- Element of loss

Total payments on redemption of units

Total comprehensive income for the period

**Net assets at the end of the period (un-audited)**

Accumulated (loss) / undistributed income brought forward  
(June 30, 2021) and (June 30, 2020)

- Realised (loss) / income

- Unrealised income

Accounting income available for distribution

- Relating to capital gains

- Excluding capital gains

Net loss for the period after taxation

Undistributed income carried forward

Accumulated (loss) / undistributed income carry forward

- Realised (loss)/income

- Unrealised income

Net asset value per unit as at the beginning of the period

Net asset value per unit as at the end of the period

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

(21,881)	(21,881)	(21,881)	(21,881)	(21,881)	(21,881)	(21,881)
(1,551)	(1,551)	(1,551)	(1,551)	(1,551)	(1,551)	(1,551)
(21,881)	(21,881)	(21,881)	(21,881)	(21,881)	(21,881)	(21,881)
3,285	3,285	3,285	3,285	3,285	3,285	3,285
(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)
(139,955)	(139,955)	(139,955)	(139,955)	(139,955)	(139,955)	(139,955)
8,354	8,354	8,354	8,354	8,354	8,354	8,354
(131,601)	(131,601)	(131,601)	(131,601)	(131,601)	(131,601)	(131,601)
1,734	1,734	1,734	1,734	1,734	1,734	1,734
1,734	1,734	1,734	1,734	1,734	1,734	1,734
(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)
(130,573)	(130,573)	(130,573)	(130,573)	(130,573)	(130,573)	(130,573)
706	706	706	706	706	706	706
(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)
98,3310	98,3310	98,3310	98,3310	98,3310	98,3310	98,3310
104,8708	104,8708	104,8708	104,8708	104,8708	104,8708	104,8708

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**



## CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2020		December 31, 2020		December 31, 2020		December 31, 2020		December 31, 2021	
	NIAAP-VI		NIAAP-VII		NIAAP-VIII		NICPP-I		NICPP-II	
	Capital Value	Undistributed income	Capital Value	Undistributed income	Capital Value	Undistributed income	Capital Value	Undistributed income	Capital Value	Undistributed income / (accumulated loss)
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	

Net assets at the beginning of the period (audited)	280,227	(140,223)	140,004	59,256	(24,539)	34,717	133,952	(12,629)	121,323	188,087	1,695	189,782	163,054	27	163,081	824,576	(175,669)	648,907
Redemption of 175,754 Units in NIAAP-VI, 69,910 Units in NIAAP-VII, 650,152 Units in NIAAP-VIII, 563,333 Units in NICPP-I, 440,833 Units in NICPP-II	(14,096)	(2,464)	(16,560)	(5,917)	(846)	(6,763)	(63,056)	(8,754)	(71,810)	(56,501)	(3,984)	(44,153)	(44,153)	(1,759)	(1,759)	(183,723)	(17,807)	(183,723)
- Capital value	-	(2,464)	(16,560)	(5,917)	(846)	(6,763)	(63,056)	(8,754)	(71,810)	(56,501)	(3,984)	(44,153)	(44,153)	(1,759)	(1,759)	(183,723)	(17,807)	(183,723)
- Element of income	(14,096)	(2,464)	(16,560)	(5,917)	(846)	(6,763)	(63,056)	(8,754)	(71,810)	(56,501)	(3,984)	(44,153)	(44,153)	(1,759)	(1,759)	(183,723)	(17,807)	(183,723)
Total payments on redemption of units	-	(2,464)	(16,560)	(5,917)	(846)	(6,763)	(63,056)	(8,754)	(71,810)	(56,501)	(3,984)	(44,153)	(44,153)	(1,759)	(1,759)	(183,723)	(17,807)	(183,723)
Total comprehensive income for the period	-	29,243	29,243	-	6,736	6,736	-	21,071	21,071	-	19,830	19,830	-	10,793	10,793	-	87,673	87,673
<b>Net assets at end of the period</b>	<b>266,131</b>	<b>(113,444)</b>	<b>152,687</b>	<b>53,339</b>	<b>(18,649)</b>	<b>34,690</b>	<b>70,896</b>	<b>(312)</b>	<b>70,564</b>	<b>131,586</b>	<b>17,541</b>	<b>149,127</b>	<b>115,901</b>	<b>9,061</b>	<b>127,962</b>	<b>640,853</b>	<b>(105,803)</b>	<b>535,050</b>

Undistributed (loss) / income brought forward (June 30, 2020) (June 30, 2019)	(137,967)	(2,256)	(140,223)	(24,695)	156	(24,539)	(24,539)	(6,658)	(5,971)	(12,629)	(24,695)	(24,695)	(3,199)	4,894	(12,629)	(111)	(84)	27	111
- Realised (loss)/income	(137,967)	(2,256)	(140,223)	(24,695)	156	(24,539)	(24,539)	(6,658)	(5,971)	(12,629)	(24,695)	(24,695)	(3,199)	4,894	(12,629)	(111)	(84)	27	111
- Unrealised (loss)/income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution:																			
- Relating to capital gains	27,174	(395)	26,779	6,148	(258)	5,890	12,317	12,317	15,846	15,846	15,846	15,846	16,194	(338)	15,846	16,194	7,126	1,908	7,126
- Excluding capital gains	(113,444)	(113,444)	(113,444)	(18,649)	(18,649)	(18,649)	(18,649)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)
Undistributed (loss) / income carried forward	(137,062)	(113,444)	(113,444)	(18,649)	(18,649)	(18,649)	(18,649)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)
Undistributed (loss) / income carried forward	23,618	(113,444)	(113,444)	(18,649)	(18,649)	(18,649)	(18,649)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)
- Realised (loss)/income	23,618	(113,444)	(113,444)	(18,649)	(18,649)	(18,649)	(18,649)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)	(312)
- Unrealised (loss)/income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the period	80,2002	(80,2002)	80,2002	84,6286	84,6286	84,6286	84,6286	96,9868	96,9868	96,9868	96,9868	96,9868	100,2984	100,2984	100,2984	100,1578	100,1578	100,1578	100,1578
Net assets value per unit at end of the period	97,2577	(97,2577)	97,2577	101,9346	101,9346	101,9346	101,9346	117,4894	117,4894	117,4894	117,4894	117,4894	112,2235	112,2235	112,2235	107,7663	107,7663	107,7663	107,7663

The annexed notes from 1 to 18 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 2021

	December 31, 2021				December 31, 2020							
	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total	NIAAP-VI	NIAAP-VII	NIAAP-VIII	NICPP-I	NICPP-II	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Net income for the period before taxation	3,285	1,057	2,889	5,002	2,887	15,120	29,243	6,736	21,071	19,830	10,793	87,673
<b>Adjustments for non-cash items:</b>												
Unrealised appreciation on re-measurement of investment classified as at fair value through profit or loss - net (Refer note 6.2)	(706)	(658)	(1,247)	(1,528)	(1,011)	(5,150)	(23,618)	(5,257)	(11,115)	(17,288)	(7,486)	(64,764)
Capital gain on sale of investment- net	(1,650)	(405)	(906)	(1,078)	(1,063)	(5,102)	(6,052)	(1,756)	(10,446)	(2,971)	(1,130)	(22,355)
	(2,356)	(1,063)	(2,153)	(2,606)	(2,074)	(10,252)	(29,670)	(7,013)	(21,561)	(20,259)	(8,616)	(87,119)
<b>Working capital changes</b>												
<b>Decrease / (increase) in assets</b>												
Profit receivable on bank deposits	15	(10)	(1)	2	156	162	(131)	(45)	(6)	83	94	(5)
Investments	22,486	875	9,951	46,303	55,210	134,825	11,029	6,561	66,170	63,850	(19,252)	128,358
Advance and other receivable	-	-	-	-	-	-	-	2	-	-	-	2
Prepayment	-	-	-	-	-	-	(2)	(6)	(3)	(3)	(3)	(17)
Receivable against sale of investments	(3)	(3)	(3)	(2)	(4)	(15)	-	-	-	-	-	-
	22,498	862	9,947	46,303	55,362	134,972	10,896	6,512	66,161	63,930	(19,161)	128,338
<b>(Decrease) / increase in liabilities</b>												
Payable to NBP Fund Management Company Limited - Management Company	(9)	2	-	(4)	(181)	(192)	(4)	(2)	(31)	(26)	(36)	(99)
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	-	(1)	(2)	(8)	(12)	1	-	(4)	(4)	4	(3)
Payable to the Securities and Exchange Commission of Pakistan	(20)	(4)	(10)	(20)	(17)	(71)	(21)	(5)	(29)	(66)	(37)	(158)
Payable against redemption of units	-	-	-	-	(1,725)	(1,725)	-	-	-	-	-	-
Accrued expenses and other liabilities	(1,627)	(469)	(1,395)	(3,072)	(1,692)	(8,255)	(2,110)	(313)	(1,194)	(1,891)	(1,823)	(7,331)
	(1,657)	(471)	(1,406)	(3,098)	(3,623)	(10,255)	(2,134)	(320)	(1,258)	(1,987)	(1,892)	(7,591)
<b>Net cash flows generated from/(used in) operating activities</b>	21,770	385	9,277	45,601	52,552	129,585	8,335	5,915	64,413	61,514	(18,876)	121,301
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Amount paid against redemption of units	(23,432)	(50)	(10,242)	(38,581)	(46,974)	(119,279)	(16,560)	(6,763)	(71,810)	(60,485)	(47,951)	(203,569)
<b>Net (decrease)/increase in cash and cash equivalents during the period</b>	(1,662)	335	(965)	7,020	5,578	10,306	(8,225)	(848)	(7,397)	1,029	(66,827)	(82,268)
Cash and cash equivalents at the beginning of the period	4,119	2,269	4,595	9,190	6,764	26,937	15,513	3,636	12,118	10,730	145,111	187,108
<b>Cash and cash equivalents at the end of the period (Refer note 5)</b>	<b>2,457</b>	<b>2,604</b>	<b>3,630</b>	<b>16,210</b>	<b>12,342</b>	<b>37,243</b>	<b>7,288</b>	<b>2,788</b>	<b>4,721</b>	<b>11,759</b>	<b>78,284</b>	<b>104,840</b>

The annexed notes from 1 to 18 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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Nafa Islamic Active Allocation Fund - II (the Fund) is an open-ended fund that was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on March 24, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 20, 2017 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

During the year ended June 30, 2021 the trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendments to the constitution of Pakistan. The fund is required to be registered under the Sindh trust Act. Accordingly, on October 14, 2021 the above mentioned trust deed has been registered under the Sindh Trust Act.

The Fund has been categorised as an open ended 'Shari'ah compliant fund of funds' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund comprises five different allocation plans of with varying mix of exposure of underlying mutual funds. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of the Shari'ah compliant equity fund and income fund, which the Fund aims to deliver mainly by investing in equity asset class (NBP Islamic Active Allocation Equity Fund), moderate risk income asset class (NBP Islamic Income Fund) and bank balances that may be allowed by the SECP. The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 as at June 23, 2021 to the Management Company. The Fund has not yet been rated.

Title to the assets of the Fund is held in the name of CDC as a Trustee of the Fund. The Fund property of different types of allocation plans are accounted for and maintained separately in the books of accounts which collectively constitute the Fund property of the Scheme.

### 2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

Except for the transactions mentioned in note 15, there were no significant events and transactions that have affected the Fund's financial position and performance during the half year ended December 31, 2021.



### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and 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 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 IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

### 4 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

**4.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the audited annual financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2021.



## 4.3 Standards, Amendments And Interpretations To Approved Accounting Standards

### 4.3.1 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

#### Standard or Interpretation

#### Effective Date "(Annual periods beginning on or after)"

Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

### 4.3.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

#### Standard or Interpretation

#### IASB effective date "(Annual periods beginning on or after)"

IFRS 17 'Insurance Contracts'	January 1, 2023
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----- Un-audited -----						
December 31, 2021						
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
<b>5 BANK BALANCES</b>						
Savings accounts	2,046	2,468	3,504	15,915	12,058	35,991
Current accounts	411	136	126	295	284	1,252
	<b>2,457</b>	<b>2,604</b>	<b>3,630</b>	<b>16,210</b>	<b>12,342</b>	<b>37,243</b>

**Note**

5.1

----- Audited -----						
June 30, 2021						
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
Savings accounts	3,408	2,183	4,466	8,805	6,740	25,602
Current accounts	711	86	129	385	24	1,335
	<b>4,119</b>	<b>2,269</b>	<b>4,595</b>	<b>9,190</b>	<b>6,764</b>	<b>26,937</b>

5.1

5.1 These include balances of Rs 1.567 million (June 30, 2021: Rs 0.297 million) NIAAP - VI, Rs 0.195 million (June 30, 2021: Rs 0.440 million) NIAAP - VII, Rs 0.310 million (June 30, 2021: Rs 0.335 million) NIAAP - VIII maintained with BankIslami Pakistan Limited (a related party), carrying profit rates ranging from 6.8% to 10.2% (June 30, 2021: 7.25%) per annum. Other savings accounts of the Fund carry profit rates ranging from 6.25% to 11.25% (June 30, 2021: 4.5% to 8.75% per annum) per annum.

**6 INVESTMENTS**

**Investments at fair value through profit or loss (FVTPL)**

**Units of mutual funds**

----- Un-audited -----						
December 31, 2021						
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
<b>6.1</b>	<b>25,962</b>	<b>26,103</b>	<b>46,306</b>	<b>81,046</b>	<b>34,936</b>	<b>214,353</b>

----- Audited -----						
June 30, 2021						
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
6.1	46,092	25,915	54,104	124,743	88,072	338,926

Investments at fair value through profit or loss (FVTPL)

Units of mutual funds



## 6.1 Units of mutual funds - related parties

### 6.1.1 NAFA Islamic Active Allocation Plan VI

Name of the Fund	Number of units			Carrying value (Rupees in 000)	Market value (Rupees in 000)	Market value as a percentage of		
	As at July 1, 2021	Purchased during the period	Redeemed during the period			As at December 31, 2021	net assets of the Plan	total investments of the Plan
NBP Islamic Active Allocation Equity Fund	3,441,537	87,730	(1,662,875)	1,866,391	21,440	22,134	79.62	85.26
NBP Islamic Income Fund	-	368,187	-	368,187	3,817	3,828	-	8,947.00
NBP Active Allocation Riba Free Savings Fund	654,714	331,515	(986,229)	-	-	-	-	-
<b>As at December 31, 2021</b>					<b>25,256</b>	<b>25,962</b>	<b>79.62</b>	<b>9,032.26</b>
<b>As at June 30, 2021</b>					<b>37,738</b>	<b>46,092</b>		

### 6.1.2 NAFA Islamic Active Allocation Plan VII

Name of the Fund	Number of units			Carrying value (Rupees in 000)	Market value (Rupees in 000)	Market value as a percentage of		
	As at July 1, 2021	Purchased during the period	Redeemed during the period			As at December 31, 2021	net assets of the Plan	total investments of the Plan
NBP Islamic Active Allocation Equity Fund	1,927,557	109,243	(229,889)	1,806,911	20,784	21,429	76.23	82.09
NBP Islamic Income Fund	-	449,646	-	449,646	4,661	4,674	-	-
NBP Active Allocation Riba Free Savings Fund	376,581	243,723	(620,304)	-	-	-	-	-
<b>As at December 31, 2021</b>					<b>25,445</b>	<b>26,103</b>	<b>76.23</b>	<b>82.09</b>
<b>As at June 30, 2021</b>					<b>21,504</b>	<b>25,915</b>		



## 6.1.3 NAFA Islamic Active Allocation Plan VIII

Name of the Fund	Number of units			Carrying value (Rupees in 000)	Market value (Rupees in 000)	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period			As at December 31, 2021	net assets of the Plan
NBP Islamic Active Allocation Equity Fund	4,077,273	8,483	(834,355)	37,335	38,559	77.59	83.27
NBP Islamic Income Fund	-	745,185	-	7,725	7,747	-	-
NBP Active Allocation Riba Free Savings Fund	725,574	653,872	(1,379,446)	-	-	-	-
<b>As at December 31, 2021</b>				<b>45,059</b>	<b>46,306</b>	<b>77.59</b>	<b>83.27</b>
<b>As at June 30, 2021</b>				<b>44,532</b>	<b>54,104</b>		

## 6.1.4 NAFA Islamic Capital Preservation Plan I

Name of the Fund	Number of units			Carrying value (Rupees in 000)	Market value (Rupees in 000)	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period			As at December 31, 2021	net assets of the Plan
NBP Islamic Active Allocation Equity Fund	5,628,222	257,916	(2,593,411)	37,845	39,049	40.36	48.18
NBP Islamic Money Market Fund	5,981,866	1,292,257	(6,155,213)	11,354	11,678	-	9.36
NBP Islamic Daily Dividend Fund	-	3,031,943	-	30,319	30,319	31.34	37.41
<b>As at December 31, 2021</b>				<b>79,518</b>	<b>81,046</b>	<b>71.70</b>	<b>94.95</b>
<b>As at June 30, 2021</b>				<b>111,137</b>	<b>124,743</b>		



## 6.1.5 NAFA Islamic Capital Preservation Plan II

Name of the Fund	Number of units			Carrying value (Rupees in '000)	Market value (Rupees in '000)	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period			As at December 31, 2021	net assets of the Plan
NBP Islamic Active Allocation Equity Fund	3,959,075	-	(2,400,238)	17,898	18,487	38.83	52.92
NBP Islamic Money Market Fund	4,240,068	506,561	(3,423,525)	13,386	13,809	-	-
NBP Islamic Daily Dividend Fund	-	2,484,123	(2,220,000)	2,641	2,641	5.55	7.56
<b>As at December 31, 2021</b>				<b>33,925</b>	<b>34,936</b>	<b>44.37</b>	<b>60.47</b>
<b>As at June 30, 2021</b>				<b>81,461</b>	<b>88,072</b>		

## 6.2 Unrealised appreciation on re-measurement of investments classified as fair value through profit or loss - net

	Un-audited					
	December 31, 2021					
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
Market value (note 6.1)	25,962	26,103	46,306	81,046	34,936	214,355
Less: carrying value	25,256	25,445	45,059	79,518	33,925	209,203
	706	658	1,248	1,528	1,011	5,151
	Audited					
	December 31, 2020					
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
Market value	146,876	32,587	66,978	139,721	49,664	435,826
Less: carrying value	(123,258)	(27,330)	(55,863)	(122,433)	(42,178)	(371,062)
	23,618	5,257	11,115	17,288	7,486	64,764



## 7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

		----- Un-audited ----- December 31, 2021						
		NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total	
Note		----- (Rupees in '000) -----						
7.1	Management fee payable	2	2	5	13	11	33	
	Sindh Sales Tax payable on remuneration of the Management Company	-	-	1	2	1	4	
	Sales load payable	391	304	-	201	668	1,564	
	Sindh Sales Tax payable on sales load	51	39	-	26	87	203	
	Reimbursement of allocated expenses payable	54	16	53	25	18	166	
7.2	Others	20	16	16	25	21	98	
		<b>518</b>	<b>377</b>	<b>75</b>	<b>292</b>	<b>806</b>	<b>2,068</b>	

		----- Audited ----- June 30, 2021						
		NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total	
Note		----- (Rupees in '000) -----						
7.1	Management remuneration payable	3	1	4	8	6	22	
	Sindh Sales Tax payable on remuneration of the Management Company	-	-	1	1	1	3	
	Sales load payable	391	304	-	201	668	1,564	
	Sindh Sales Tax payable on sales load	51	39	-	26	87	203	
	Reimbursement of allocated expenses payable	62	16	55	35	205	373	
7.2	Others	20	15	15	25	20	95	
		<b>527</b>	<b>375</b>	<b>75</b>	<b>296</b>	<b>987</b>	<b>2,260</b>	

7.1 During the period, the Management Company has charged its remuneration at the rate of 1.25% per annum of the average annual net assets (June 30, 2021: 1.25% per annum of the average annual net assets) for NIAAP-VI, NIAAP-VII and NIAAP-VIII and 1% per annum in NICPP-I and NICPP-II. The remuneration is payable to the Management Company monthly in arrears.



- 7.2 In accordance with Regulation 60 of the NBFC Regulations, an Asset Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).
- Accordingly, the Management Company based on its own discretion has currently fixed 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

## 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		----- Un-audited -----					
		December 31, 2021					
		NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
		----- (Rupees in '000) -----					
8.1	Trustee fee payable	2	2	3	6	4	17
8.2	Sindh Sales Tax payable on fee of the Trustee	-	-	-	1	-	1
		<b>2</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>4</b>	<b>18</b>
		----- Audited -----					
		June 30, 2021					
		NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
		----- (Rupees in '000) -----					
8.1	Trustee fee payable	3	2	4	8	9	26
8.2	Sindh Sales Tax payable on fee of the Trustee	-	-	-	1	3	4
		<b>3</b>	<b>2</b>	<b>4</b>	<b>9</b>	<b>12</b>	<b>30</b>

- 8.1 During the period, the Fund has charged Trustee remuneration at the rate of 0.07% per annum of the average annual net assets (June 30, 2021: 0.07% per annum of the average annual net assets).
- 8.2 The Sindh Provincial Government leveled Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Service Act, 2011, effective from 1 July, 2015. During the period, Sindh Sales Tax at the rate of 13% (30 June 2021) was charged on trustee Remuneration.



## 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

----- Un-audited -----					
December 31, 2021					
NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
4	3	5	11	8	31
----- (Rupees in '000) -----					
----- Audited -----					
June 30, 2021					
NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
24	7	15	31	25	102
----- (Rupees in '000) -----					

Note

9.1 Annual fee payable

9.1 Annual fee payable

9.1 The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets (June, 2021: 0.02% per annum of the average annual net assets) during the current period.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

----- Un-audited -----					
December 31, 2021					
NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
139	146	137	136	136	694
5	5	4	22	11	47
2	36	2	49	7	96
4	8	11	40	13	76
8	1	6	39	259	313
-	-	-	-	-	-
-	-	-	-	-	-
46	54	50	134	125	409
204	250	210	420	551	1,635

Note

Auditors' remuneration payable  
 Printing charges payable  
 Bank charges payable  
 Shariah advisor fee payable  
 Withholding tax payable  
 Capital gain tax payable  
 Provision against Sindh Workers Welfare Fund  
 Legal and professional charges payable



	Audited					Total
	June 30, 2021					
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	
	(Rupees in '000)					
Auditors' remuneration payable	149	175	166	173	128	791
Printing charges payable	27	30	20	35	60	172
Bank charges payable	17	27	23	23	69	159
Shari'ah advisor fee payable	19	12	20	56	18	125
Withholding tax payable	292	173	320	949	872	2,606
Capital gain tax payable	73	3	25	230	138	469
Provision against Sindh Workers Welfare Fund	1,179	215	940	2,004	904	5,242
Legal and professional charges payable	75	84	91	22	54	326
	<u>1,831</u>	<u>719</u>	<u>1,605</u>	<u>3,492</u>	<u>2,243</u>	<u>9,890</u>

Note

10.1 During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by the Fund amounting to Rs. 4.11 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the Fund by 15.52% on August 13, 2021. This is one-off event and is not likely to be repeated in future.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 (June 30, 2021: Nil).

## 12 TAXATION

The income of the Fund 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 ninety percent 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, 2008 requires the Fund to distribute 90% 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 the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

## 13 EARNING PER UNIT

Earning per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.



## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Plans for the period ended December 31, 2021 is 1.64% (December 31, 2020: 1.42%) NIAAP - VI, 2.18% (December 31, 2020: 2.37%) NIAAP - VII, 1.30% (December 31, 2020: 1.93%) NIAAP - VIII, 1.14% (December 31, 2020: 0.92%) NICPP - I and 1.26% (December 31, 2020: 1.61%) NICPP - II which includes 0.03% (December 31, 2020: 0.61%) NIAAP - VI, 0.04% (December 31, 2020: 1.55%) NIAAP - VII, 0.04% (December 31, 2020: 0.92%) NIAAP - VIII, 0.04% (December 31, 2020: 0.40%) NICPP - I and 0.04% (December 31, 2020: 1.18%) NICPP - II representing government levies on the Fund such as provision against sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% in each plan prescribed under the NBFC Regulations for a collective investment scheme categorised as a fund of funds scheme.

## 15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

**15.1** Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

**15.2** Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

**15.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

### 15.4 Details of the transactions with connected persons / related parties are as follows:

	Un-audited						Un-audited					
	Half year ended December 31, 2021			Half year ended December 31, 2020			Total					
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
(Rupees in 000)												

#### NBP Fund Management Limited - Management Company

Remuneration of NBP Fund Management Limited -

Management Company

Sindh sales tax on remuneration of the

Management Company

Reimbursement of allocated expenses

#### Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of

Pakistan Limited - Trustee

Sindh sales tax on remuneration of the Trustee

15	9	19	60	35	138	65	13	35	48	519	680
2	1	2	8	5	18	8	2	5	6	67	88
22	14	27	54	40	157	77	18	45	85	71	296
15	10	19	38	28	110	54	12	31	59	50	206
2	1	2	5	4	14	7	2	4	8	6	27

# NAFA ISLAMIC ACTIVE ALLOCATION FUND-II



**NBP FUNDS**  
Managing Your Savings

Un-audited							Un-audited					
Half year ended December 31, 2021							Half year ended December 31, 2020					
NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total		NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total

## Pakistan Stock Exchange (Common Directorship)\*\*

Listing Fee Paid

-	-	-	-	-	-	-	5	5	5	5	5	25
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## Employees of the management Company\*\*

Units Redeemed:

Nil (2020: 110 units) (NIAAP-VI)	-	-	-	-	-	-	11	-	-	-	-	11
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## Investments in NBP Islamic Active Allocation Equity Fund

Units purchased:

-Units 87,730 (2020: 465,932)(NIAAP - VI)	1,025	-	-	-	1,025	4,700	-	-	-	-	-	4,700
-Units 109,243 (2020: 79,947)(NIAAP - VII)	-	1,295	-	-	1,295	-	900	-	-	-	-	900
-Units 8,483 (2020: 143,914)(NIAAP - VIII)	-	-	100	-	100	-	-	1,500	-	-	-	1,500
-Units 257,916 (2020: 2,062,701)(NICPP - I)	-	-	-	3,000	3,000	-	-	-	19,240	-	-	19,240
-Units Nil (2020: 2,851,561)(NICPP - II)	-	-	-	-	-	-	-	-	-	29,052	-	29,052

Units redeemed:

-Units 1,662,875 (2020: 4,147,042)(NIAAP - VI)	20,280	-	-	-	20,280	42,058	-	-	-	-	-	42,058
-Units 229,889 (2020: 1,183,341)(NIAAP VII)	-	2,800	-	-	2,800	-	12,006	-	-	-	-	12,006
-Units 834,335 (2020: 6,658,147)(NIAAP - V/III)	-	-	10,012	-	10,012	-	-	68,227	-	-	-	68,227
-Units 2,593,411 (2020: 1,479,964)(NICPP - I)	-	-	-	30,156	30,156	-	-	-	15,200	-	-	15,200
-Units 2,440,238 (2020: 954,304)(NICPP - II)	-	-	-	-	28,082	28,082	-	-	-	9,800	-	9,800

## Investment in NBP Active Allocation Riba Free Savings Fund

Units purchased:

-Units 331,515 (2020:4,163,087)(NIAAP - VI)	3,500	-	-	-	3,500	42,058	-	-	-	-	-	42,058
-Units 243,723 (2020: 1,188,716)(NIAAP VII)	-	2,600	-	-	2,600	-	12,006	-	-	-	-	12,006
-Units 653,872 (2020: 3,242,571)(NIAAP - V/III)	-	-	6,912	-	6,912	-	-	32,727	-	-	-	32,727

Units redeemed:

-Units 986,229 (2020:1,549,631)(NIAAP - VI)	10,548	-	-	-	10,548	15,730	-	-	-	-	-	15,730
-Units 620,304 (2020: 735,951)(NIAAP - V/II)	-	6,631	-	-	6,631	-	7,462	-	-	-	-	7,462
-Units 1,379,446 (2020: 3,177,125)(NIAAP - V/III)	-	-	14,675	-	14,675	-	-	32,169	-	-	-	32,169

# NAFA ISLAMIC ACTIVE ALLOCATION FUND-II



**NBP FUNDS**  
Managing Your Savings

Un-audited							Un-audited				
Half year ended December 31, 2021							Half year ended December 31, 2020				
NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total

## Investment in NBP Islamic Income Fund\*

Units purchased:

-Units 368,187 (2020:Nil)(NIAAP - VI)	-	-	-	-	3,817	-	-	-	-	-	-
-Units 449,646 (2020: Nil)(NIAAP - VII)	4,661	-	-	-	4,661	-	-	-	-	-	-
-Units 745,185 (2020: Nil)(NIAAP - VIII)	-	7,725	-	-	7,725	-	-	-	-	-	-

## Investment in NBP Islamic Money Market Fund

Units purchased:

-Units 1,292,257 (2020:1,323,783)(NICPP - I)	-	-	13,246	-	13,246	-	-	-	13,500	-	13,500
-Units 506,561 (2020: Nil)(NICPP - II)*	-	-	-	5,200	5,200	-	-	-	-	-	-

Units Sold:

-Units 6,155,213 (2020:8,025,289)(NICPP - I)	-	-	62,712	-	62,712	-	-	-	81,390	-	81,390
-Units 3,423,525 (2020: Nil)(NICPP - II)*	-	-	-	34,968	34,968	-	-	-	-	-	-

## Investment in NBP Islamic Dividend Fund\*

Units purchased:

-Units 3,031,942 (2020:Nil)(NICPP - I)	-	-	30,319	-	30,319	-	-	-	-	-	-
-Units 2,484,123 (2020: Nil)(NICPP - II)	-	-	-	24,841	24,841	-	-	-	-	-	-

Units Sold:

-Units 2,220,000 (2020: Nil)(NICPP - II)	-	-	-	22,200	22,200	-	-	-	-	-	-
--	---	---	---	--------	--------	---	---	---	---	---	---

## BankIslami Pakistan Limited - common directorship

Profit on bank balances

36	15	47	-	-	98	262	42	38	-	-	342
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## Behbud Association - 10% or more holding

Units redeemed:Nil (2020: 5,542)(NICPP I)

-	-	-	-	-	-	-	-	-	593	-	593
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## 15.5 Amounts / balances outstanding as at period / year end are as follows:

	Un-audited										Audited					
	December 31, 2021										June 30, 2021					
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total				

### NBP Fund Management Limited - Management Company

	2	2	5	13	11	33	3	1	4	8	6	22
Management remuneration payable	-	-	1	2	1	4	-	-	1	1	1	3
Sindh sales tax payable on remuneration of the Management Company	391	304	-	201	668	1,564	391	304	-	201	668	1,564
Sales Load and Transfer Load	51	39	-	26	87	203	-	-	-	-	-	-
Sindh Sales Tax on sales load	54	16	53	25	18	166	62	16	55	35	205	373
Reimbursement of allocated expenses payable	20	16	16	25	21	98	20	15	15	25	20	95
Others												

### Central Depository Company of Pakistan Limited - Trustee

	2	2	3	6	4	17	3	2	4	8	9	26
Trustee remuneration payable	-	-	-	1	-	1	-	-	-	1	3	4
Sindh sales tax payable on remuneration of Trustee												

### Investment in NBP Islamic Active Allocation Equity Fund

Investment of:	22,134	21,429	38,559	39,049	18,487	18,487	39,515	22,132	46,815	64,623	45,458
-Units 1,866,391 (2021: 3,441,536)(NIAAP - VI),											
-Units 1,806,911 (2021: 1,927,557)(NIAAP - VII),											
-Units 3,251,402 (2021: 4,077,273)(NIAAP - VIII),											
-Units 3,292,727 (2021: 5,628,222)(NICPP - I),											
-Units 1,558,837 (2021: 3,959,075)(NICPP - II),											

### Investment in NBP Active Allocation Riba Free Savings Fund

Investment of:	-	-	-	-	-	-	6,577	3,783	7,289	-	6,577
-Units: Nil (2021: 654,711)(NIAAP - VI),											
-Units: Nil (2021: 376,581)(NIAAP - VII),											
-Units: Nil (2021: 725,571)(NIAAP - VIII),											

### Investment in NBP Islamic Money Market Fund

Investment of:	-	-	-	11,678	-	11,678	-	-	60,120	-	60,120
-Units: 1,118,910 (2021: 5,961,866)(NICPP-I),											
-Units: 1,323,103 (2021: 4,240,068)(NICPP-II),											

### Investment in NBP Islamic Daily Dividend Fund\*

Investment of:	-	-	-	30,319	-	30,319	-	-	-	-	-
-Units: 3,031,943 (2021: Nil)(NICPP-I),											
-Units: 264,123 (2021: Nil)(NICPP-II),											

# NAFA ISLAMIC ACTIVE ALLOCATION FUND-II



**NBP FUNDS**  
Managing Your Savings

	Un-audited						Audited					
	December 31, 2021						June 30, 2021					
	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total	NIAAP VI	NIAAP VII	NIAAP VIII	NICPP I	NICPP II	Total
<b>Investment in NBP Islamic Income Fund*</b>												
-Units: 368,187 (2021: Nil)(NIAAP -VI),	3,828	-	-	-	-	3,828	-	-	-	-	-	-
-Units: 449,646 (2021: Nil)(NIAAP -VII),	-	4,674	-	-	-	4,674	-	-	-	-	-	-
-Units: 745,185 (2021: Nil)(NIAAP -VIII),	-	-	7,747	-	-	7,747	-	-	-	-	-	-
<b>Behbud Association - 10% or more holding</b>												
Units: 171,690(2021: 171,690) NICPP I	-	-	-	20,117	-	20,117	-	-	-	19,210	-	19,210
<b>Saba Haleem Siddiqui - 10% or more holding</b>												
Units: 222,308(2021: 222,308) NIAAP VII	-	23,523	-	-	-	23,523	-	22,639	-	-	-	22,639
<b>Bn Fund Account 3 Commando SSG - 10% or more holding</b>												
Units: 107,453(2021: 107,453) NIAAP VIII	-	-	13,370	-	-	13,370	-	-	12,698	-	-	12,698
<b>Pechts Primary School * - 10% or more holding</b>												
Units: 37,539(2021: Nil) NIAAP VI	3,937	-	-	-	-	3,937	-	-	-	-	-	-
<b>Pechts Secondary School * - 10% or more holding</b>												
Units: 37,539(2021: Nil) NIAAP VI	3,937	-	-	-	-	3,937	-	-	-	-	-	-
<b>Amna Khalid * - 10% or more holding</b>												
Units: 34,009(2021: Nil) NIAAP VI	3,567	-	-	-	-	3,567	-	-	-	-	-	-
<b>Mohammad Abdul Muqueet * - 10% or more holding</b>												
Units: 27,609(2021: Nil) NIAAP VI	2,895	-	-	-	-	2,895	-	-	-	-	-	-
<b>Ms Parveen Muzaffar **-10% or more holding</b>												
Units held: Nil (2021: 272,599) NICPP II	-	-	-	-	-	-	-	-	-	28,797	-	28,797
<b>Sindh Madressah Board Qaid e Azam Public School *-10% or more holding</b>												
Units held: Nil(2021: 166,522) NIAAP VI	-	-	-	-	-	-	-	16,373	-	-	-	16,373
<b>BankIslami Pakistan Limited - common directorship</b>												
Profit receivable on bank balances	30	7	9	-	-	46	56	4	5	-	-	65
Bank Balances	1,567	195	310	-	-	2,072	298	441	336	-	-	1,075

\* Prior period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2021.

\*\* Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at Dec 31, 2021.



## 16 FAIRVALUE 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.

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

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities 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 ; and
- Level 3: unobservable inputs for the asset or liability.

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

#### 16.1 NAFA Islamic Active Allocation Plan VI

##### ASSETS

Investment - financial assets 'at fair value through profit or loss'  
- Mutual funds

Un-audited			Audited				
As at December 31, 2021							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Rupees in '000			Rupees in '000				
-	25,962	-	25,962	-	46,092	-	46,092

#### 16.2 NAFA Islamic Active Allocation Plan VII

##### ASSETS

Investment - financial assets 'at fair value through profit or loss'  
- Mutual fund units

Un-audited			Audited				
As at December 31, 2021							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Rupees in '000			Rupees in '000				
-	26,103	-	26,103	-	25,915	-	25,915



## 16.3 NAFA Islamic Active Allocation Plan VIII

### ASSETS

Investment - financial assets 'at fair value through profit or loss'  
- Mutual fund units

Un-audited			Audited		
As at December 31, 2021			As at June 30, 2021		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
-	46,306	-	-	54,104	-
Total		46,306	Total		54,104
Rupees in '000			Rupees in '000		

## 16.4 NAFA Islamic Capital Preservation Plan I

### ASSETS

Investment - financial assets 'at fair value through profit or loss'  
- Mutual fund units

Un-audited			Audited		
As at December 31, 2021			As at June 30, 2021		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
-	81,046	-	-	124,743	-
Total		81,046	Total		124,743
Rupees in '000			Rupees in '000		

## 16.5 NAFA Islamic Capital Preservation Plan II

### ASSETS

Investment - financial assets 'at fair value through profit or loss'  
- Mutual fund units

Un-audited			Audited		
As at December 31, 2021			As at June 30, 2021		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
-	34,936	-	-	88,072	-
Total		34,936	Total		88,072
Rupees in '000			Rupees in '000		

## 17 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

## 18 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 23, 2022.

**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.

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**Email:** info@nbpfunds.com

**Website:** www.nbpfunds.com

 /nbpfunds



# NAFA ISLAMIC ACTIVE ALLOCATION FUND – I

HALF YEARLY REPORT  
DECEMBER 31, 2021



# MISSION STATEMENT

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



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

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

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

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

### Human Resource Committee

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

### Strategy & Business Planning Committee

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

### Trustee

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

### Bankers to the Fund

Allied Bank Limited  
Albaraka Bank of Pakistan  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
Silk Bank Limited  
United Bank Limited



## **Auditors**

Grant Thornton Anjum Rahman.  
1st & 3rd Floor,  
Modern Motors House, Beaumont Road,  
Karachi, 75530

## **Legal Advisor**

Akhund Forbes  
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Fax: 051-4859031

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## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NAFA Islamic Active Allocation Fund - I** (NIAAF- I) for the half year ended December 31, 2021.

NAFA Islamic Active Allocation Fund-I has been constituted in the form of a Trust Scheme that shall invest in following Collective Investment Schemes through five (5) Allocation Plans including NAFA Islamic Active Allocation Plan-I (NIAAP-I), NAFA Islamic Active Allocation Plan-II (NIAAP-II), NAFA Islamic Active Allocation Plan-III (NIAAP-III), NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) & NAFA Islamic Active Allocation Plan-V (NIAAP-V).

**Islamic Income Fund:**  
**Islamic Equity Fund:**

**NBP Islamic Income Fund**  
**NBP Islamic Active Allocation Equity Fund**

After impressive return in FY21, the 1HFY22 has remained lackluster for the stock market in terms of performance. The market oscillated in a narrow range during the period, amid thin volumes, showing lack of interest on part of investors and at period close, the benchmark KMI-30 index fell by around 4,934 points, translating into a decline of 6.4% during the period under review.

June period and September period results came in during 1H, whereby companies posted massive growth in profits along with healthy payouts. However, the market performance remained subdued which can be attributed to deterioration in key economic variables. Although the economic growth picked further steam during the year, the external vulnerabilities also came to the fore as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. Despite healthy growth in remittances and goods exports, which surged by 11.3% and 29% respectively, import bill rose massively by 57% on a YoY basis, and current account deficit clocked in at USD 9.1bn. For the same reason, PKR remained under duress and depreciated by a significant 12% during the period. Both these factors caused uncertainty in terms of outlook, as investors weighed the impact on margins and corporate profitability going forward. Monthly inflation reading also kept creeping up and average inflation stood at around 9.8% for the period under review. To compress both the external imbalances and the high inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in the 1H. Inordinate delay in the resumption of the IMF program, which is on hiatus since March-21, was another reason for uneasiness in the market. Lastly, the downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which further dented the stock market performance.

On the positive side, Roshan Digital Account (RDA) continued to grow with vigour, as cumulative flows stood at USD 3.2 billion at Dec-21 (net inflows of around USD 1.6bn in 1HFY22). The country also received around USD 2.75bn from IMF under its new Special Drawing Rights (SDR) allocation, under its historic funding of USD 650bn for the developing and developed member countries. In addition to it, the country was able to secure USD 4.2 billion support package from Saudi Arabia, which involved USD 3 billion deposit with SBP and the remaining as oil supplies on deferred payments during the year.

Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Insurance, and Companies remained the largest buyers during the period with net inflows of USD 72 million, USD 66 million and USD 60 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 250 million.

The market saw a decent increase in the issuance of short-term debt securities and commercial papers in the primary market, although it remained under-supplied against a large and growing demand. During 1HFY22, the Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%, in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic demand growth. SBP expects inflation to average 9% - 11% during the fiscal year due to the rise in utility charges, motor fuel, house rent, milk and other household consumables. However, in the near-term, MPC expects monetary policy settings to remain broadly unchanged.

### NAFA Islamic Active Allocation Plan-I (NIAAP-I)

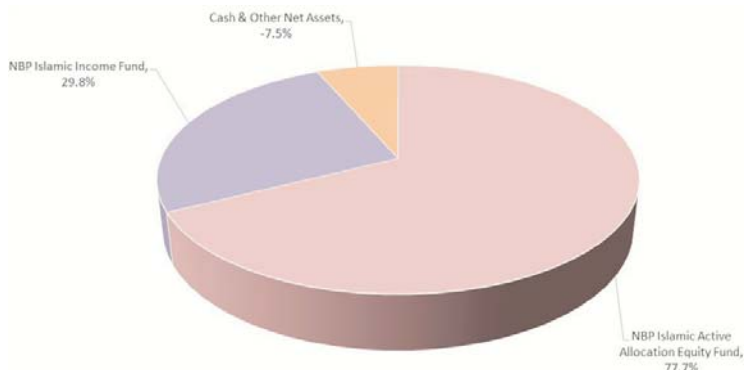
#### Plan's Performance

During the period, the unit price of NAFA Islamic Active Allocation Plan-I (NIAAP-I) has increased from Rs. 129.6698 on June 30, 2021 to Rs. 177.0379 on December 31, 2021, thus showing an increase of 36.5%. The Benchmark decreased by 4.3%. Thus, the Fund has outperformed its Benchmark by 40.8%. Since inception, the unit price of NAFA Islamic



Active Allocation Plan-I (NIAAP-I) has increased from Rs.79.3777 (Ex-Div) on January 15, 2016 to Rs. 177.0379 on December 31, 2021, thus showing an increase of 123.0%. The Benchmark return during the same period was 53.4%. Thus, the Fund has outperformed its Benchmark by 69.6%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.22 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

NAFA Islamic Active Allocation Plan-I (NIAAP-I) has incurred a total income of Rs. 6.432 million during the period. After deducting for total expenses of Rs.0.273 million, the net income is Rs. 6.159 million. The asset allocation of the Fund as on December 31, 2021 is as follows:

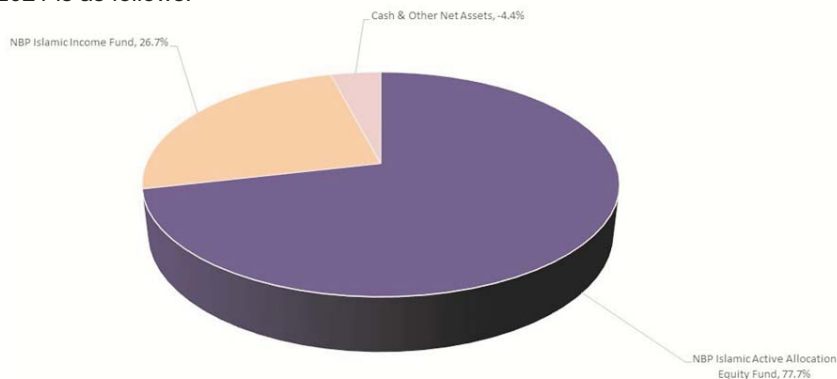


## NAFA Islamic Active Allocation Plan-II (NIAAP-II)

### Plan's Performance

During the period, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs. 127.7814 on June 30, 2021 to Rs.154.6429 on December 31, 2021, thus showing an increase of 21.0%. The Benchmark decreased by 4.3%. Thus, the Fund has outperformed its Benchmark by 25.3%. Since inception, the unit price of NAFA Islamic Active Allocation Plan-II (NIAAP-II) has increased from Rs.85.9370 (Ex-Div) on March 04, 2016 to Rs. 154.6429 on December 31, 2021, thus showing an increase of 79.9%. The Benchmark return during the same period was 34.7%. Thus, the Fund has outperformed its Benchmark by 45.2%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.26 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

NAFA Islamic Active Allocation Plan-II (NIAAP-II) has incurred a total income of Rs. 5.478 million during the period. After deducting for total expenses of Rs.0.319 million, the net income is Rs. 5.159 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



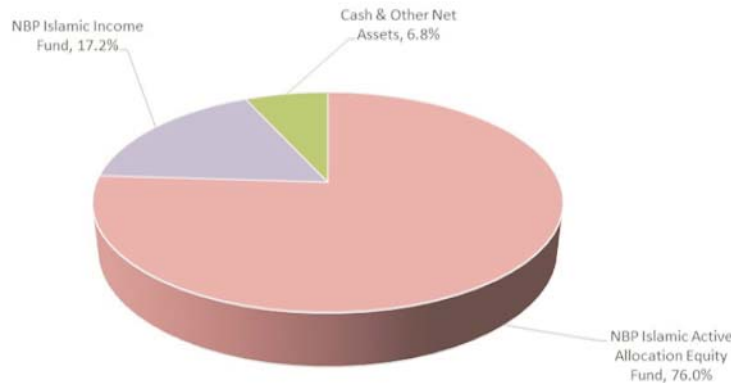
## NAFA Islamic Active Allocation Plan-III (NIAAP-III)

### Plan's Performance

During the period, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs. 121.4050 on June 30, 2021 to Rs. 131.2332 on December 31, 2021, thus showing an increase of 8.1%. The Benchmark decreased

by 4.2%. Thus, the Fund has outperformed its Benchmark by 12.3%. Since inception, the unit price of NAFA Islamic Active Allocation Plan-III (NIAAP-III) has increased from Rs.82.7665 (Ex-Div) on June 28, 2016 to Rs. 131.2332 on December 31, 2021, thus showing an increase of 58.6%. The Benchmark increased during the same period was 37.2%. Thus, the Fund has outperformed its Benchmark by 21.4%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.137 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

NAFA Islamic Active Allocation Plan-III (NIAAP-III) has incurred a total income of Rs. 11.297 million during the period. After deducting for total expenses of Rs.0.584 million, the net income is Rs. 10.713 million. The asset allocation of the Fund as on December 31, 2021 is as follows:

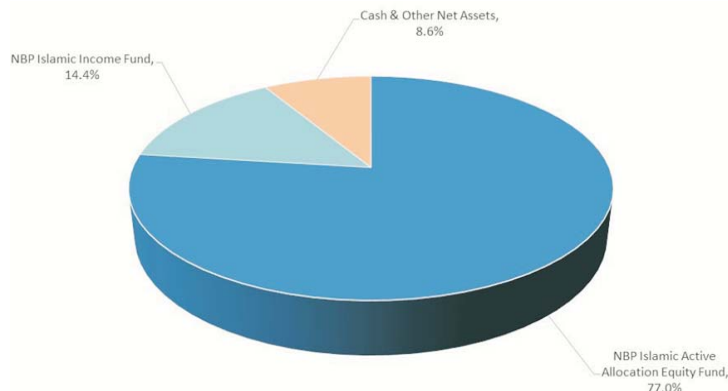


## NAFA Islamic Active Allocation Plan-IV (NIAAP-IV)

### Plan's Performance

During the period, the unit price of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has increased from Rs. 109.3376 on June 30, 2021 to Rs. 115.8080 on December 31, 2021, thus showing an increase of 5.9%. The Benchmark decreased by 4.4%. Thus, the Fund has outperformed its Benchmark by 10.3%. Since inception, the unit price of NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has increased from Rs.81.8758 (Ex-Div) on September 30, 2016 to Rs. 115.8080 on December 31, 2021, thus showing an increase of 41.4%. The Benchmark increased during the same period was 30.4%. Thus, the Fund has outperformed its Benchmark by 11.0%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.139 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

NAFA Islamic Active Allocation Plan-IV (NIAAP-IV) has incurred a total income of Rs. 8.67 million during the period. After deducting for total expenses of Rs.0.515 million, the net income is Rs. 8.155 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



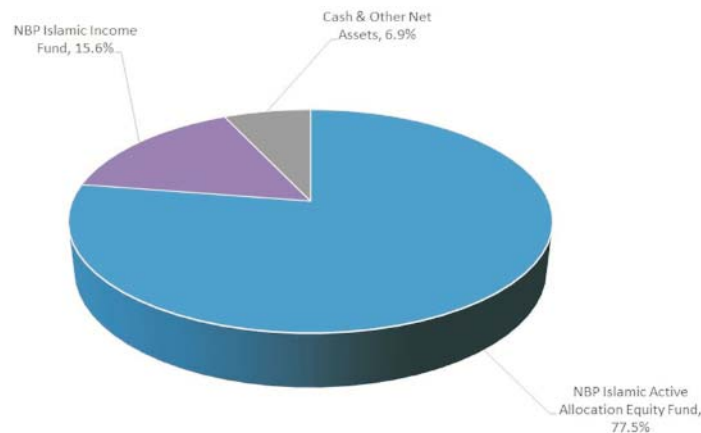


## NAFA Islamic Active Allocation Plan-V (NIAAP-V)

### Plan's Performance

During the period, the unit price of NAFA Islamic Active Allocation Plan-V (NIAAP-V) has increased from Rs. 99.9738 on June 30, 2021 to Rs. 104.9625 on December 31, 2021, thus showing an increase of 5.0%. The Benchmark decreased by 4.4%. Thus, the Fund has outperformed its Benchmark by 9.4%. Since inception, the unit price of NAFA Islamic Active Allocation Plan-V (NIAAP-V) has increased from Rs.85.4764 (Ex-Div) on January 12, 2017 to Rs. 104.9625 on December 31, 2021, thus showing an increase of 22.8%. The Benchmark increased during the same period was 11.8%. Thus, the Fund has outperformed its Benchmark by 11.0%. This performance is net of management fee and all other expenses. The size of the Fund is Rs.70 million. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall no to be repeated in the future.

NAFA Islamic Active Allocation Plan-V (NIAAP-V) has incurred a total income of Rs. 4.444 million during the period. After deducting for total expenses of Rs.0.456 million, the net income is Rs. 3.988 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



### Acknowledgement

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

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

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive**

**Director**

Date: February 23, 2022  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ کمپنیز کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NAFA اسلامک ایکٹو ایلوکیشن فنڈ-I (NIAAF-I) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

NAFA اسلامک ایکٹو ایلوکیشن فنڈ-I (NIAAF-I) ایک ٹرسٹ اسکیم کی شکل میں تیار کیا گیا ہے جو کہ پانچ (5) ایلوکیشن پلانز کے ذریعے درج ذیل مجموعی سرمایہ کاری اسکیموں میں سرمایہ کاری کریں گے، یہ پلانز NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAF-I)، NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAF-II)، NAFA اسلامک ایکٹو ایلوکیشن پلان-III (NIAAF-III)، NAFA اسلامک ایکٹو ایلوکیشن پلان-IV (NIAAF-IV) اور NAFA اسلامک ایکٹو ایلوکیشن پلان-V (NIAAF-V) ہیں۔

اسلامک انکم فنڈ: NBP اسلامک انکم فنڈ

اسلامک ایکٹو فنڈ: NBP اسلامک ایکٹو ایلوکیشن ایکٹو فنڈ

FY21 میں متاثر کن منافع کے بعد، 1HFY22 کارکردگی کے لحاظ سے اسٹاک مارکیٹ کے لئے غیر متاثر کن رہی۔ اس عرصہ کے دوران مارکیٹ میں گردش اتار چڑھاؤ رہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بیچ مارک 30-KMI انڈیکس میں تقریباً 4,934 پوائنٹس کمی ہوئی، جس سے زیر جائزہ مدت کے دوران 6.4 فیصد کمی واقع ہوئی۔

جون اور مئی کی مدت کے نتائج پہلی ششماہی کے دوران آئے، جس کے تحت کمپنیوں نے زبردست منافع کے ساتھ اچھا عبوری منافع دیا۔ تاہم، مارکیٹ کی کارکردگی کم رہی جس کی وجہ اہم اقتصادی منتخبات میں بگاڑ کو قرار دیا جاسکتا ہے۔ اگرچہ سال کے دوران معاشی نمو مزید تیز ہوئی، تاہم مجموعی مقامی طلب میں اضافے اور اجناس کے جاری سپر سائیکل کے باعث بیرونی عدم توازن مزید بڑھ جانے کی وجہ سے بیرونی دباؤ بھی سامنے آیا۔ ترسیلات زراور سامان کی برآمدات میں بہتر نمونے کا وجود، جس میں بالترتیب 11.3% اور 29% کا اضافہ ہوا، درآمدی بل میں سالانہ بنیادوں پر 57% کا مجموعی اضافہ ہوا، اور کرنٹ اکاؤنٹ خسارہ 9.1 بلین امریکی ڈالر تک پہنچ گیا۔ اسی وجہ سے، پاکستانی روپیہ دباؤ میں رہا اور اس مدت کے دوران قدر میں نمایاں طور پر 12% کمی کی واقع ہوئی۔ یہ دونوں عوامل مجموعی نقطہ نظر کے لحاظ سے غیر یقینی صورتحال کا باعث بنے، کیونکہ سرمایہ کاروں نے مستقبل میں مارجن اور کارپوریٹ منافع پر اثر کو اہمیت دی۔ ماہانہ افراط زر کی شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت میں اوسط افراط زر تقریباً 9.8 فیصد رہا۔ بیرونی عدم توازن اور بلند افراط زر دونوں کو کم کرنے کے لیے، مرکزی بینک نے اس عرصے کے دوران مالیاتی سختی کا سہارا لیا کیونکہ پہلی ششماہی میں پالیسی شرح میں مجموعی طور پر 2.75% اضافہ کیا گیا۔ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں غیر معمولی تاخیر، جو مارچ 21 سے تھقل کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI اہم جگہ مارکیٹ سے MSCI فرٹنیئر مارکیٹ میں تنزلی بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن بحال کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصہ کے دوران غیر معمولی بیرونی اخراج ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔

مثبت پہلو پر، روشن ڈیجیٹل اکاؤنٹ (RDA) تیزی سے بڑھتا رہا، جیسا کہ مجموعی آمد دسمبر 21 3.2 بلین امریکی ڈالر (1HFY22) میں تقریباً 1.6 بلین امریکی ڈالر کی خالص آمد رہا۔ ملک نے ترقی پذیر اور ترقی یافتہ رکن ممالک کے لیے 650 بلین امریکی ڈالر کی تاریخی فنڈنگ کے تحت اپنے نئے اسٹیشن ڈرائنگ رائٹس (SDR) کے تحت آئی ایم ایف سے تقریباً 2.75 بلین امریکی ڈالر وصول کیے۔ اس کے علاوہ، ملک سعودی عرب سے 4.2 بلین امریکی ڈالر درآمدی چیک حاصل کرنے میں کامیاب رہا، جس میں سے 3 بلین امریکی ڈالر SBP کے پاس ڈیپازٹ اور باقی سال کے دوران موخر ادائیگیوں پر تیل کی سپلائی کے طور پر شامل تھا۔

مارکیٹ کی سیکٹرز کارکردگی کے پیش نظر، آٹوموبائل اسمبلر، کیمیکلز، کمرشل بینکس، کھادیں، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹراکس، تیل و گیس ایکسپلوریشن، بجلی پیداوار تقسیم کرنے، اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور اسپریر، کیلیم اور الیکٹرونکس کا سامان، سینٹ، انجینئرنگ، انشورنس، تیل و گیس مارکیٹنگ، کاغذ اور بوڈ، دواسازی، ریفاٹریز، ٹیکنالوجی اور کمیونیکیشن، اور وینا سہتی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیر جائزہ مدت کے دوران بالترتیب 72 بلین امریکی ڈالر، 66 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر کی خالص آمدنی کے ساتھ بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 250 بلین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے زیادہ فروخت کنندگان رہے۔

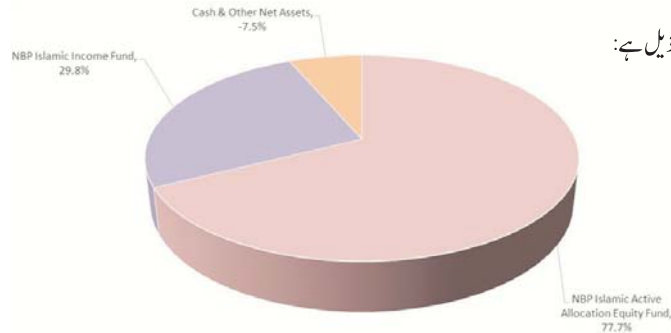
مارکیٹ نے پرائمری مارکیٹ میں مختصر مدتی ڈیٹ سیکورٹیز اور کمرشل بیہرز کے اجراء میں نمایاں اضافہ دیکھا، اگرچہ بڑھتی ہوئی زیادہ طلب کے مقابلے اس کی رسد کم رہی ہے۔ 1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراط زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیسز کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراط زر عالمی قیمتیں اور مقامی طلب نمو زیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ پوٹیلٹی چارجز، موٹر فیول، ہاؤس ریٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران، افراط زر اوسطاً 11%-9% رہنے کی امید ہے۔ تاہم، قریب مدت میں، MPC کو توقعات ہیں کہ مانیٹری پالیسی بڑے پیمانے پر تبدیل نہیں ہوگی۔

## NAFA اسلامک ایکٹو ایلوکیشن پلان-I (NIAAP-I)

### پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک ایکٹو ایلوکیشن پلان I (NIAAP-I) کی یونٹ قیمت 30 جون 2021 کو 129.6698 روپے سے بڑھ کر 31 دسمبر 2021 کو 177.039 روپے ہو گئی، جو %36.5 کا اضافہ ظاہر کر رہی ہے۔ بیچ مارک میں %4.3 کی کمی ہوئی۔ لہذا، فنڈ نے اپنے بیچ مارک سے %40.8 بہتر کارکردگی دکھائی۔ اپنے قیام سے اب تک NAFA اسلامک ایکٹو ایلوکیشن پلان I (NIAAP-I) کے یونٹ کی قیمت 15 جنوری 2016 کو 79.3777 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 177.0379 روپے ہو گئی، لہذا %123.0 کا اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک نفع %53.4 تھا۔ لہذا فنڈ نے اپنے بیچ مارک سے %69.6 بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 22 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ ریورس کر دی گئی۔ اس پرویزن کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NAFA اسلامک ایکٹو ایلوکیشن پلان I (NIAAP-I) کو اس مدت کے دوران 6.432 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.273 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 6.159 ملین روپے ہے۔



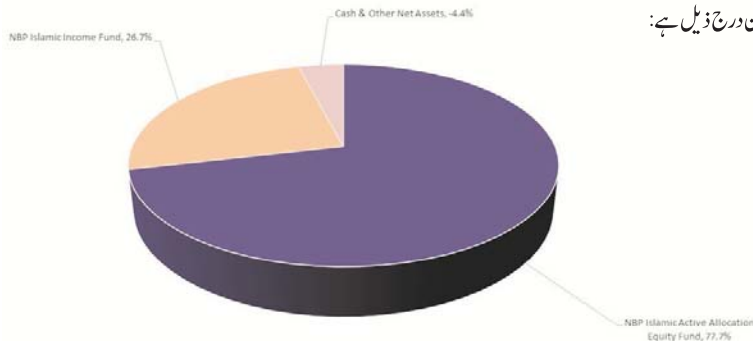
31 دسمبر 2021 کو فنڈ کی ایٹ ایلوکیشن درج ذیل ہے:

## NAFA اسلامک ایکٹو ایلوکیشن پلان-II (NIAAP-II)

### پلان کی کارکردگی

موجودہ مدت کے دوران NAFA اسلامک ایکٹو ایلوکیشن پلان II (NIAAP-II) کے یونٹ کی قیمت 30 جون 2021 کو 127.7814 روپے سے بڑھ کر 31 دسمبر 2021 کو 154.6429 روپے ہو گئی، لہذا %21.0 کا اضافہ ظاہر کیا۔ بیچ مارک جو %4.3 کم ہوا۔ لہذا فنڈ نے بیچ مارک سے %25.3 بہتر کارکردگی کا مظاہرہ کیا ہے۔ 04 مارچ 2016 کو اپنے آغاز کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان II (NIAAP-II) کے یونٹ کی قیمت 85.9370 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 154.6429 روپے ہو گئی، لہذا %79.9 کا اضافہ دکھایا۔ اس مدت کے دوران بیچ مارک منافع %34.7 تھا۔ لہذا فنڈ نے اپنے بیچ مارک سے %45.2 بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 26 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویزنگ ریورس کر دی گئی۔ اس پرویزن کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NIAAP-II کو اس مدت کے دوران 5.478 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.319 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 5.159 ملین روپے ہے۔



31 دسمبر 2021 کو فنڈ کی ایٹ ایلوکیشن درج ذیل ہے:

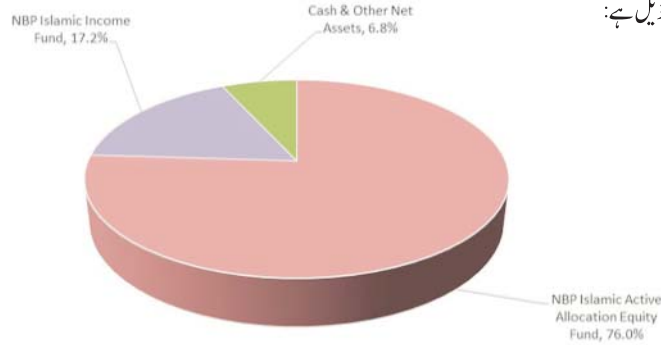
## NAFA اسلامک ایکٹو ایلوکیشن پلان -III (NIAAP-III)

### پلان کی کارکردگی

موجودہ مدت کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان -III (NIAAP-III) کی یونٹ قیمت 30 جون 2021 کو 121.4050 روپے سے بڑھ کر 31 دسمبر 2021 کو 131.2332 روپے ہوگئی، لہذا، % 8.1 کا اضافہ ظاہر کیا۔ بیچ مارک جو % 4.2 کم ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے % 12.3 بہتر کارکردگی کا مظاہرہ کیا ہے۔ 28 جون 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان -III (NIAAP-III) کے یونٹ کی قیمت 82.7665 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 131.2332 روپے ہوگئی، لہذا % 58.6 کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک % 37.2 زیادہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے % 21.4 بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 137 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ ریورس کردی گئی۔ اس پروڈنگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NIAAP-III کو اس مدت کے دوران 11.297 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.584 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 10.713 ملین روپے ہے۔

31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



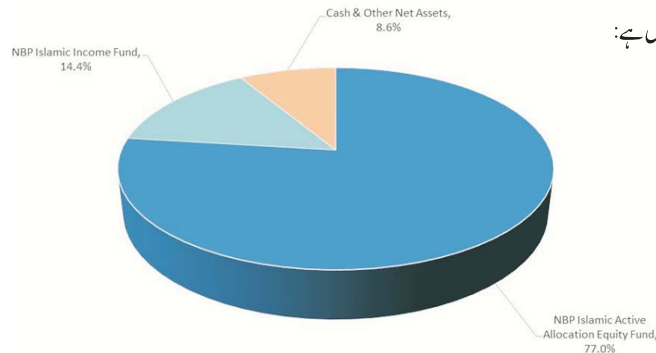
## NAFA اسلامک ایکٹو ایلوکیشن پلان -IV (NIAAP-IV)

### پلان کی کارکردگی

موجودہ مدت کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان -IV (NIAAP-IV) کی یونٹ قیمت 30 جون 2021 کو 109.3376 روپے سے بڑھ کر 31 دسمبر 2021 کو 115.8080 روپے ہوگئی، لہذا، % 5.9 کا اضافہ ظاہر کیا۔ بیچ مارک جو % 4.4 کم ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے % 10.3 بہتر کارکردگی کا مظاہرہ کیا ہے۔ 30 ستمبر 2016 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان -IV (NIAAP-IV) کے یونٹ کی قیمت 81.8758 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 115.8080 روپے ہوگئی، لہذا % 41.4 کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک % 30.4 زیادہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے % 11.0 بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 139 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ ریورس کردی گئی۔ اس پروڈنگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NIAAP-IV کو اس مدت کے دوران 8.67 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.515 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 8.155 ملین روپے ہے۔

31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



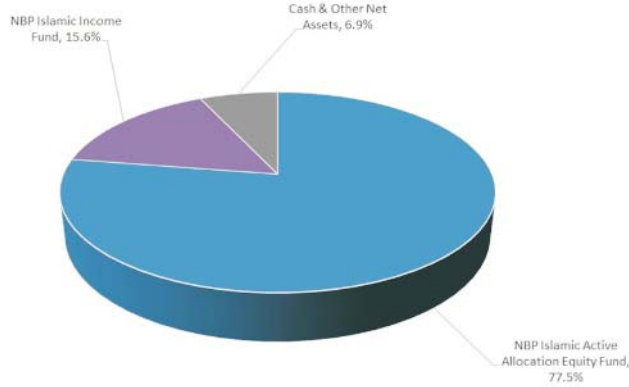
## NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAP-V)

### پلان کی کارکردگی

موجودہ مدت کے دوران، NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAP-V) کی یونٹ قیمت 30 جون 2021 کو 104.9625 روپے سے بڑھ کر 31 دسمبر 2021 کو 104.9625 روپے ہوئی، لہذا، 5.0% کا اضافہ ظاہر کیا۔ بیچ مارک جو 4.4% کم ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے 9.4% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 12 جنوری 2017 کو اپنے قیام کے وقت NAFA اسلامک ایکٹو ایلوکیشن پلان (NIAAP-V) کے یونٹ کی قیمت 85.4764 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 104.9625 روپے ہوئی، لہذا 22.8% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران بیچ مارک 11.8% زیادہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے 11.0% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی میٹجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 70 ملین روپے ہے۔ اگست 2021 کے دوران، سندھ و مرکز ویلفیئر فنڈ کی پروڈنگ ریورس کردی گئی۔ اس پروڈنگ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NIAAP-V کو اس مدت کے دوران 4.444 ملین روپے کی آمدنی ہوئی۔ 0.456 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 3.988 ملین روپے ہے۔

31 دسمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



### اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ میٹجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

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 NAFA Islamic Active Allocation Fund-I (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, 2021 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 25, 2022



## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NAFA Islamic Active Allocation Fund - I** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shukat Naseeb**.

**Grant Thornton Anjum Rahman**

Chartered Accountants

Date: **February 23, 2022**

Karachi.



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2021

	December 31, 2021 (Un-audited)						June 30, 2021 (Audited)						
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note ----- (Rupees in 000) ----- (Rupees in 000) -----													
<b>ASSETS</b>													
Bank balances	5	1,658	1,904	12,810	12,269	5,488	34,129	1,410	1,708	10,362	11,213	6,769	31,462
Investments	6	23,600	26,781	127,532	127,454	65,283	370,650	25,112	30,220	137,369	129,799	73,866	396,366
Other receivables		3	3	3	2	50	61	-	-	-	-	47	47
Profit receivable		19	27	102	113	34	295	16	23	67	73	34	213
<b>Total assets</b>		<b>25,280</b>	<b>28,715</b>	<b>140,447</b>	<b>139,838</b>	<b>70,855</b>	<b>405,135</b>	<b>26,538</b>	<b>31,951</b>	<b>147,798</b>	<b>141,085</b>	<b>80,716</b>	<b>428,088</b>
<b>LIABILITIES</b>													
Payable to NBP Fund Management Company Limited - Management Company	7	3,111	2,770	3,069	66	46	9,062	3,109	2,769	3,061	58	46	9,043
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1	2	9	9	5	26	1	1	9	9	6	26
Payable to the Securities and Exchange Commission of Pakistan	9	2	3	14	14	8	41	4	5	29	29	22	89
Payable against purchase of investment		-	-	-	-	-	-	-	350	-	-	-	350
Payable against redemption of units		-	-	-	-	332	332	-	-	-	-	-	-
Accrued expenses and other liabilities	10	204	285	510	405	376	1,780	5,917	4,568	6,442	3,712	2,359	22,998
<b>Total liabilities</b>		<b>3,318</b>	<b>3,060</b>	<b>3,602</b>	<b>494</b>	<b>767</b>	<b>11,241</b>	<b>9,031</b>	<b>7,693</b>	<b>9,541</b>	<b>3,808</b>	<b>2,433</b>	<b>32,506</b>
<b>NET ASSETS</b>		<b>21,962</b>	<b>25,655</b>	<b>136,845</b>	<b>139,344</b>	<b>70,088</b>	<b>393,894</b>	<b>17,507</b>	<b>24,258</b>	<b>138,257</b>	<b>137,277</b>	<b>78,283</b>	<b>395,582</b>
<b>UNIT HOLDERS' FUND</b> (as per statement attached)		<b>21,962</b>	<b>25,655</b>	<b>136,845</b>	<b>139,344</b>	<b>70,088</b>	<b>393,894</b>	<b>17,507</b>	<b>24,258</b>	<b>138,257</b>	<b>137,277</b>	<b>78,283</b>	<b>395,582</b>
<b>CONTINGENCIES AND COMMITMENTS</b>													
-----Number of units-----													
<b>NUMBER OF UNITS IN ISSUE</b>		<b>124,051</b>	<b>165,896</b>	<b>1,042,759</b>	<b>1,203,234</b>	<b>667,740</b>		<b>135,010</b>	<b>189,837</b>	<b>1,138,808</b>	<b>1,255,533</b>	<b>783,032</b>	
-----Rupees-----													
<b>NET ASSET VALUE PER UNIT</b>	12	<b>177.0379</b>	<b>154.6429</b>	<b>131.2332</b>	<b>115.8080</b>	<b>104.9625</b>		<b>129.6698</b>	<b>127.7814</b>	<b>121.4050</b>	<b>109.3376</b>	<b>99.9738</b>	

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021						Half year ended December 31, 2020						
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note (Rupees in 000)													
<b>INCOME</b>													
Gain on sale of investments - net	800	874	2,296	1,970	1,307	7,247	1,026	814	5,812	5,403	8,217	21,272	
Profit on bank balances	52	70	400	412	199	1,133	70	61	369	293	325	1,118	
	852	944	2,696	2,382	1,506	8,380	1,096	875	6,181	5,696	8,542	22,390	
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	6.2	262	437	3,033	3,285	1,737	8,754	2,816	3,772	21,572	22,491	18,081	68,732
<b>Total income</b>	1,114	1,381	5,729	5,667	3,243	17,134	3,912	4,647	27,753	28,187	26,623	91,122	
<b>EXPENSES</b>													
Remuneration of NBP Fund Management Limited - Management Company	7.1	-	-	38	62	35	135	-	-	17	43	51	111
Sindh sales tax on remuneration of the Management Company		-	-	5	8	5	18	-	-	2	6	7	15
Reimbursement of allocated expenses	7.3	11	14	70	72	39	206	9	12	72	73	63	229
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	8	10	49	50	27	144	6	8	50	51	44	159
Sindh Sales Tax on remuneration of the Trustee		1	1	6	7	4	19	1	1	7	7	6	22
Annual fee of the Securities and Exchange Commission of Pakistan	9.1	2	3	14	14	8	41	2	2	14	15	13	46
Settlement and bank charges		1	1	2	-	2	6	14	1	6	4	9	34
Listing fee		3	3	3	3	3	15	-	-	3	3	3	9
Auditors' remuneration		100	153	206	182	185	826	148	161	141	215	162	827
Legal and professional charges		145	131	167	108	141	692	46	99	126	125	61	457
Shariah advisor fee		2	2	13	9	5	31	3	2	15	8	7	35
Printing charges		-	1	11	-	2	14	-	3	8	-	8	22
<b>Total expenses</b>	273	319	584	515	456	2,147	232	289	461	550	434	1,966	
<b>Net income from operating activities</b>		841	1,062	5,145	5,152	2,787	14,987	3,680	4,358	27,292	27,637	26,189	89,156
Reversal/(provision) for Sindh Workers' Welfare Fund	10.1	5,318	4,097	5,568	3,003	1,201	19,187	(74)	(87)	(546)	(553)	(524)	(1,784)
<b>Net income for the period before taxation</b>		6,159	5,159	10,713	8,155	3,988	34,174	3,606	4,271	26,746	27,084	25,665	87,372
Taxation	13	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>		6,159	5,159	10,713	8,155	3,988	34,174	3,606	4,271	26,746	27,084	25,665	87,372
<b>Allocation of net income for the period</b>													
Net income for the period after taxation		6,159	5,159	10,713	8,155	3,988	34,174	3,606	4,271	26,746	27,084	25,665	87,372
Income already paid on units redeemed		(283)	(703)	(464)	(370)	(658)	(2,478)	(532)	(51)	(1,695)	(1,814)	(5,644)	(9,736)
		5,876	4,456	10,249	7,785	3,330	31,696	3,074	4,220	25,051	25,270	20,021	77,636
<b>Accounting income available for distribution</b>													
- Relating to capital gains		1,062	1,311	5,329	5,255	3,044	31,696	3,074	4,220	25,051	25,270	20,021	77,636
- Excluding capital gains		4,814	3,145	4,920	2,530	286	15,695	-	-	-	-	-	-
		5,876	4,456	10,249	7,785	3,330	47,391	3,074	4,220	25,051	25,270	20,021	77,636
<b>Earnings per unit</b>	14												

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Quarter ended December 31, 2021						Quarter ended December 31, 2020						
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	
Note	(Rupees in 000)						(Rupees in 000)						
<b>INCOME</b>													
Gain on sale of investments - net	396	623	1,561	1,401	786	4,767	380	161	1,846	1,186	1,240	4,813	
Profit on bank balances	24	43	249	235	94	645	32	37	188	131	122	510	
	420	666	1,810	1,636	880	5,412	412	198	2,034	1,317	1,362	5,323	
Unrealised (diminution)/appreciation on re-measurement of investments classified as at fair value through profit or loss - net	(229)	(325)	(476)	(264)	(253)	(1,547)	779	1,281	6,720	7,247	5,343	21,370	
<b>Total income</b>	191	341	1,334	1,372	627	3,865	1,191	1,479	8,754	8,564	6,705	26,693	
<b>EXPENSES</b>													
Remuneration of NBP Fund Management Limited - Management Company	7.1	-	-	25	34	18	77	-	-	10	18	19	47
Sindh sales tax on remuneration of the Management Company	-	-	3	4	3	10	-	-	1	3	3	7	
Remuneration of Central Depository Company of Pakistan Limited - Trustee	4	5	25	25	13	72	3	4	25	25	20	77	
Sindh sales tax on remuneration of the Trustee	1	-	3	4	2	10	1	-	4	4	3	12	
Annual fee of the Securities and Exchange Commission of Pakistan	1	2	7	7	4	21	1	1	7	8	6	23	
Settlement and bank charges	-	-	1	-	1	2	1	1	5	-	-	7	
Listing fee	2	2	2	2	2	10	-	-	2	2	2	6	
Auditors' remuneration	9	78	138	89	102	416	55	92	86	135	79	447	
Reimbursement of allocated expenses	7.3	6	7	35	36	19	103	4	6	36	36	28	110
Legal and professional charges	139	108	123	68	87	525	28	65	75	85	51	304	
Shariah advisor fee	1	1	4	4	3	13	-	1	2	2	-	5	
Printing charges	-	-	5	-	1	6	1	2	7	(1)	4	13	
<b>Total expenses</b>	163	203	371	273	255	1,265	94	172	260	317	215	1,058	
<b>Net income from operating activities</b>	28	138	963	1,099	372	2,600	1,097	1,307	8,494	8,247	6,490	25,635	
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	(22)	(26)	(170)	(165)	(130)	(513)	
<b>Net income for the period before taxation</b>	28	138	963	1,099	372	2,600	1,075	1,281	8,324	8,082	6,360	25,122	
Taxation	13	-	-	-	-	-	-	-	-	-	-	-	
<b>Net income for the period after taxation</b>	28	138	963	1,099	372	2,600	1,075	1,281	8,324	8,082	6,360	25,122	
<b>Earnings / (loss) per unit</b>	14												

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021						Half year ended December 31, 2020					
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	(Rupees in 000)						(Rupees in 000)					
Net income for the period after taxation	6,159	5,159	10,713	8,155	3,988	34,174	3,606	4,271	26,746	27,084	25,665	87,372
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive Income for the period</b>	<b>6,159</b>	<b>5,159</b>	<b>10,713</b>	<b>8,155</b>	<b>3,988</b>	<b>34,174</b>	<b>3,606</b>	<b>4,271</b>	<b>26,746</b>	<b>27,084</b>	<b>25,665</b>	<b>87,372</b>

The annexed notes from 1 to 19 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Quarter ended December 31, 2021						Quarter ended December 31, 2020					
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
	(Rupees in 000)						(Rupees in 000)					
Net income for the period after taxation	28	138	963	1,099	372	2,600	1,075	1,281	8,324	8,082	6,360	25,122
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive Income for the period</b>	<b>28</b>	<b>138</b>	<b>963</b>	<b>1,099</b>	<b>372</b>	<b>2,600</b>	<b>1,075</b>	<b>1,281</b>	<b>8,324</b>	<b>8,082</b>	<b>6,360</b>	<b>25,122</b>

The annexed notes from 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021			December 31, 2021			December 31, 2021			December 31, 2021			December 31, 2021			December 31, 2021		
	NIAAP-I			NIAAP-II			NIAAP-III			NIAAP-IV			NIAAP-V			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income / (accumulated loss)	Total
Net assets at the beginning of the period (audited)	(89,357)	106,864	17,507	(41,668)	65,926	24,258	83,476	54,781	138,257	146,245	(8,968)	137,277	276,082	(199,799)	78,283	376,778	18,804	395,582
Redemption of units:																		
NIAAP-I: 10,959 units / NIAAP-II: 23,941 units /																		
NIAAP-III: 96,049 units / NIAAP-IV: 52,239 units																		
/ NIAAP-V: 115,292 units																		
- Capital value (at net asset value per unit at the beginning of the period)	(1,421)	-	(1,421)	(3,059)	-	(3,059)	(11,661)	-	(11,661)	(5,718)	-	(5,718)	(11,525)	-	(11,525)	(33,384)	-	(33,384)
- Element of income / (loss)	-	(283)	(283)	-	(703)	(703)	-	(464)	(464)	-	(370)	(370)	-	(659)	(659)	-	(2,478)	(2,478)
Total payments on redemption of units	(1,421)	(283)	(1,704)	(3,059)	(703)	(3,762)	(11,661)	(464)	(12,125)	(5,718)	(370)	(6,088)	(11,525)	(659)	(12,183)	(33,384)	(2,478)	(35,862)
Total comprehensive income for the period	-	6,159	6,159	-	5,159	5,159	-	10,713	10,713	-	8,155	8,155	-	3,988	3,988	-	34,174	34,174
Net assets at the end of the period (un-audited)	(90,778)	112,740	21,962	(44,727)	70,382	25,655	71,815	65,030	136,845	140,527	(1,183)	139,344	286,557	(196,469)	70,083	345,394	50,500	393,894
Undistributed income / accumulated (loss) brought forward																		
- Realised		104,008			62,121			31,949			(31,503)			(213,614)			(47,039)	
- Unrealised		2,856			3,805			22,832			22,535			13,815			65,843	
		106,864			65,926			54,781			(8,968)			(199,799)			18,804	
Accounting income available for distribution																		
- Relating to capital gains	1,062			1,311			5,329			5,255			3,044			16,001		
- Excluding capital gains	4,814			3,145			4,920			2,530			286			15,695		
	5,876			4,456			10,249			7,785			3,330			31,696		
	-			-			-			-			-			-		
Undistributed income carried forward	112,740			70,382			65,030			(1,183)			(196,469)			50,500		
- Realised	112,478			69,945			61,997			(4,468)			(198,206)			41,746		
- Unrealised	262			437			3,033			3,285			1,737			8,754		
	112,740			70,382			65,030			(1,183)			(196,469)			50,500		
		Rupees			Rupees			Rupees			Rupees			Rupees				
Net asset value per unit as at the beginning of the period		129.6698			127.7814			121.4050			109.3376			99.9738				
Net asset value per unit as at the end of the period		177.8079			154.6429			131.2332			115.988			104.9025				

The annexed notes from 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2020			December 31, 2020			December 31, 2020			December 31, 2020			December 31, 2020			December 31, 2020		
	NIAAP-I			NIAAP-II			NIAAP-III			NIAAP-IV			NIAAP-V			Total		
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income / (accumulated loss)	Total
Net assets at the beginning of the period (audited)	(86,235)	103,917	17,682	(39,090)	61,769	22,679	96,850	30,396	127,246	170,223	(33,000)	137,223	346,402	(213,478)	132,924	488,150	(50,396)	437,754
Redemption of units:																		
NIAAP-I: 33,519 units / NIAAP-II: 22,038 units /																		
NIAAP-III: 100,099 units / NIAAP-IV: 179,522 units																		
/ NIAAP-V: 462,113 units																		
- Capital value (at net asset value per unit at the beginning of the period)	(3,582)	-	(3,582)	(2,326)	-	(2,326)	(9,930)	-	(9,930)	(16,071)	-	(16,071)	(37,892)	-	(37,892)	(69,801)	-	(69,801)
- Element of income / (loss)	-	(532)	(532)	-	(51)	(51)	-	(1,695)	(1,695)	-	(1,814)	(1,814)	-	(5,644)	(5,644)	-	(9,736)	(9,736)
Total payments on redemption of units	(3,582)	(532)	(4,114)	(2,326)	(51)	(2,377)	(9,930)	(1,695)	(11,625)	(16,071)	(1,814)	(17,885)	(37,892)	(5,644)	(43,536)	(69,801)	(9,736)	(79,537)
Total comprehensive income for the period	-	3,606	3,606	-	4,271	4,271	-	26,746	26,746	-	27,084	27,084	-	25,665	25,665	-	87,372	87,372
Net assets at the end of the period (un-audited)	(89,817)	106,991	17,174	(41,416)	65,989	24,573	86,920	55,447	142,367	154,152	(7,730)	146,422	308,510	(193,457)	115,053	418,349	27,240	445,589
Undistributed income / accumulated (loss) brought forward																		
- Realised		103,992			64,280			30,200		(32,939)				(212,627)				(47,094)
- Unrealised		(75)			(2,511)			196		(61)				(851)				(3,302)
		103,917			61,769			30,396		(33,000)				(213,478)				(50,396)
Accounting income available for distribution																		
- Relating to capital gains		3,074			4,220			25,051		25,270				20,021				77,636
- Excluding capital gains		-			-			-		-				-				-
		3,074			4,220			25,051		25,270				20,021				77,636
Undistributed income carried forward		106,991			65,989			55,447		(7,730)				(193,457)				27,240
- Realised		104,175			62,217			33,875		(30,221)				(211,538)				(41,492)
- Unrealised		2,816			3,772			21,572		22,491				18,081				68,732
		106,991			65,989			55,447		(7,730)				(193,457)				27,240
Net asset value per unit as at the beginning of the period		<u>106,9146</u>			<u>105,5102</u>			<u>99,1989</u>		<u>89,5175</u>				<u>81,9981</u>				
Net asset value per unit as at the end of the period		<u>130,2274</u>			<u>127,3652</u>			<u>120,3685</u>		<u>108,109</u>				<u>99,2733</u>				

The annexed notes from 1 to 19 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 HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021						December 31, 2020					
	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total	NIAAP-I	NIAAP-II	NIAAP-III	NIAAP-IV	NIAAP-V	Total
Note -----(Rupees in 000)-----												
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Net income for the period before taxation	6,159	5,159	10,713	8,155	3,988	34,174	3,606	4,271	26,746	27,084	25,665	87,372
<b>Adjustments for non-cash items:</b>												
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	6.2 (262)	(437)	(3,033)	(3,285)	(1,737)	(8,754)	(2,816)	(3,772)	(21,572)	(22,491)	(18,081)	(68,732)
Reversal(provision) for Sindh Workers' Welfare Fund	(5,318)	(4,097)	(5,568)	(3,003)	(1,201)	(19,187)	74	87	546	553	524	1,784
	(5,580)	(4,534)	(8,601)	(6,288)	(2,938)	(27,941)	(2,742)	(3,685)	(21,026)	(21,938)	(17,557)	(66,948)
<b>Working capital changes</b>												
<b>Decrease / (increase) in assets</b>												
Profit receivable	(3)	(4)	(35)	(40)	-	(82)	(16)	1	61	39	48	133
Investments - net	1,774	3,876	12,870	5,630	10,320	34,470	3,735	2,053	8,738	7,954	29,708	52,188
Other receivables	(3)	(3)	(3)	(2)	(3)	(14)	-	-	(3)	(3)	(3)	(9)
	1,768	3,869	12,832	5,588	10,317	34,374	3,719	2,054	8,796	7,990	29,753	52,312
<b>(Decrease) / increase in liabilities</b>												
Payable to NBP Fund Management Company Limited - Management Company	2	1	8	8	-	19	1	-	5	(5)	(14)	(13)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1	-	-	(1)	-	-	1	2	1	(1)	3
Payable to the Securities and Exchange Commission of Pakistan	(2)	(2)	(15)	(15)	(14)	(48)	(11)	(4)	(30)	(18)	(30)	(93)
Payable against purchase of investments	-	(350)	-	-	-	(350)	-	-	(584)	(20)	(1,382)	(1,986)
Accrued expenses and other liabilities	(395)	(186)	(364)	(304)	(782)	(2,031)	(679)	(142)	(1,363)	(1,269)	(3,077)	(6,530)
	(395)	(536)	(371)	(311)	(797)	(2,410)	(689)	(145)	(1,970)	(1,311)	(4,504)	(8,619)
<b>Net cash flows generated from operating activities</b>	1,952	3,958	14,573	7,144	10,570	38,197	3,894	2,495	12,546	11,825	33,357	64,117
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Amount paid against redemption of units	(1,704)	(3,762)	(12,125)	(6,088)	(11,851)	(35,530)	(4,114)	(2,377)	(11,625)	(17,885)	(43,536)	(79,537)
<b>Net increase/(decrease) in cash and cash equivalents during the period</b>	248	196	2,448	1,056	(1,281)	2,667	(220)	118	921	(6,060)	(10,179)	(15,420)
Cash and cash equivalents at the beginning of the period	1,410	1,708	10,362	11,213	6,769	31,462	1,769	1,816	11,768	14,280	15,449	45,082
<b>Cash and cash equivalents at the end of the period</b>	1,658	1,904	12,810	12,269	5,488	34,129	1,549	1,934	12,689	8,220	5,270	29,662

The annexed notes from 1 to 19 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 STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NAFA Islamic Active Allocation Fund - I (the Fund) is an open-ended fund that was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 3, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 02, 2015 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

During the year ended June 30, 2021 the Trust Act, 1882 was replaced due to promulgation of Provincial Trust Act namely "Sindh Trust 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 15, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Fund has been categorised as an open ended 'Shari'ah compliant fund of funds' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund comprises five different allocation plans of with varying mix of exposure of underlying mutual funds. The objective of the Fund is to provide investors an opportunity to earn attractive return from an actively managed portfolio of the Shari'ah compliant equity fund and income fund, which the Fund aims to deliver mainly by investing in equity asset class (NBP Islamic Active Allocation Equity Fund), moderate risk income asset class (NBP Islamic Income Fund), moderate risk income asset class (NBP Active Allocation Riba Free Savings Fund) bank balances that may be allowed by the SECP. The Management Company may also invest in any other Collective Investment Schemes available to it with the prior approval of the SECP. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM1 as at June 23, 2021 to the Management Company. The Fund has not yet been rated.

Title to the assets of the Fund is held in the name of CDC as a Trustee of the Fund. The Fund property of different types of allocation plans are accounted for and maintained separately in the books of accounts which collectively constitute the Fund property of the Scheme.

### 2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

Except for the transactions mentioned in note 16, there were no significant events and transactions that have affected the Fund's financial position and performance during the half year ended December 31, 2021.

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and 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 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 IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

#### **4 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

**4.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the 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 these 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 in the audited annual financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2021.

#### **4.3 Standards, Amendments And Interpretations To Approved Accounting Standards**

**Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation:



## Standard or Interpretation

## Effective Date (Annual periods beginning on or after)

Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023

The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the condensed interim financial statements of the Fund.

Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

## Standard or Interpretation

## IASB Effective date (Annual periods beginning on or after)

IFRS 17 'Insurance Contracts'	January 1, 2023
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## 5 BANK BALANCES

		----- Un-audited -----					
		December 31, 2021					
		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
Note		----- (Rupees in '000) -----					
Savings accounts	5.1	1,454	1,877	12,618	12,116	5,115	33,180
Current accounts		204	27	192	153	373	949
		<u>1,658</u>	<u>1,904</u>	<u>12,810</u>	<u>12,269</u>	<u>5,488</u>	<u>34,129</u>
		----- Audited -----					
		June 30, 2021					
		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
		----- (Rupees in '000) -----					
Savings accounts	5.1	1,206	1,681	10,120	10,770	6,446	30,223
Current accounts		204	27	242	443	323	1,239
		<u>1,410</u>	<u>1,708</u>	<u>10,362</u>	<u>11,213</u>	<u>6,769</u>	<u>31,462</u>

5.1 These include balances of Rs 1.29 million (June 30, 2021: Rs 1.005 million) NIAAP - I, Rs 1.801 million (June 30, 2021: Rs 1.598 million) NIAAP - II, Rs 11.847 million (June 30, 2021: Rs 1.146 million) NIAAP - III, Rs 11.345 million (June 30, 2021: Rs 1.287 million) NIAAP - IV and Rs 0.801 million (June 30, 2021: Rs 0.161 million) NIAAP - V maintained with BankIslami Pakistan Limited (a related party), carrying profit rate 10.20% (June 30, 2021: 6.80%) per annum. Other savings accounts of the Fund carry profit rates ranging from 6.25% to 11.25% (June 30, 2021: 4.5% to 6.80% per annum) per annum.



## 6 INVESTMENTS

----- Un-audited -----					
December 31, 2021					
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total

Note ----- (Rupees in '000) -----

Investments at fair value  
through profit or loss (FVTPL)

Units of mutual funds	6.1	<u>23,600</u>	<u>26,781</u>	<u>127,532</u>	<u>127,454</u>	<u>65,283</u>	<u>370,650</u>
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----- Audited -----					
June 30, 2021					
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total

(Rupees in '000)

Investments at fair value  
through profit or loss (FVTPL)

Units of mutual funds	6.1	<u>25,112</u>	<u>30,220</u>	<u>137,369</u>	<u>129,799</u>	<u>73,866</u>	<u>396,366</u>
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### 6.1 Units of mutual funds - related parties

#### 6.1.1 NAFA Islamic Active Allocation Plan I

Name of the Fund	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period	As at December 31, 2021			net assets of the Plan	total investments of the Plan
							(Rupees in 000)	%
NBP Islamic Active Allocation Equity Fund	1,259,492	413,079	(233,610)	1,438,961	16,821	17,065	77.70	72.31
NBP Active Allocation Riba Free Savings Fund	1,060,207	197,642	(1,257,849)	-	-	-	-	-
NBP Islamic Income Fund	-	628,607	-	628,607	6,516	6,535	29.76	27.69
<b>As at December 31, 2021</b>					<u>23,338</u>	<u>23,600</u>	107	100
<b>As at June 30, 2021</b>					<u>22,256</u>	<u>25,112</u>		

#### 6.1.2 NAFA Islamic Active Allocation Plan II

Name of the Fund	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period	As at December 31, 2021			net assets of the Plan	total investments of the Plan
							(Rupees in 000)	%
NBP Islamic Active Allocation Equity Fund	1,767,202	329,435	(416,598)	1,680,039	19,507	19,924	77.66	74.40
NBP Active Allocation Riba Free Savings Fund	988,475	277,803	(1,266,278)	-	-	-	-	-
NBP Islamic Income Fund	-	659,589	-	659,589	6,837	6,837	26.73	25.60
<b>As at December 31, 2021</b>					<u>26,344</u>	<u>26,781</u>	104	100
<b>As at June 30, 2021</b>					<u>26,416</u>	<u>30,220</u>		



## 6.1.3 NAFA Islamic Active Allocation Plan III

Name of the Fund	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period	As at December 31, 2021			net assets of the Plan	total investments of the Plan
						(Rupees in 000)	----- % -----	
NBP Islamic Active Allocation Equity Fund	9,978,172	712,970	(1,923,351)	8,767,791	101,014	103,980	75.98	81.53
NBP Active Allocation Riba Free Savings Fund	2,269,748	1,275,508	(3,545,256)	-	-	-	-	-
NBP Islamic Income Fund	-	2,265,515	-	2,265,515	23,485	23,552	17.21	18.47
<b>As at December 31, 2021</b>					<b>124,499</b>	<b>127,532</b>	<b>93.19</b>	<b>100.00</b>
<b>As at June 30, 2021</b>					<b>114,537</b>	<b>137,369</b>		

## 6.1.4 NAFA Islamic Active Allocation Plan IV

Name of the Fund	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period	As at December 31, 2021			net assets of the Plan	total investments of the Plan
						(Rupees in 000)	----- % -----	
NBP Islamic Active Allocation Equity Fund	9,749,954	590,473	(1,290,002)	9,050,425	104,104	107,332	77.03	84.21
NBP Active Allocation Riba Free Savings Fund	1,777,072	1,388,684	(3,165,756)	-	-	-	-	-
NBP Islamic Income Fund	-	1,935,620	-	1,935,620	20,065	20,122	14.44	15.79
<b>As at December 31, 2021</b>					<b>124,169</b>	<b>127,454</b>	<b>91.47</b>	<b>100.00</b>
<b>As at June 30, 2021</b>					<b>107,264</b>	<b>129,799</b>		

## 6.1.5 NAFA Islamic Active Allocation Plan V

Name of the Fund	Number of units				Carrying value	Market value	Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Redeemed during the period	As at December 31, 2021			net assets of the Plan	total investments of the Plan
						(Rupees in 000)	----- % -----	
NBP Islamic Active Allocation Equity Fund	5,601,211	128,585	(1,147,178)	4,582,618	52,641	54,347	77.54	83.25
NBP Active Allocation Riba Free Savings Fund	950,982	960,267	(1,911,249)	-	-	-	-	-
NBP Islamic Income Fund	-	1,052,003	-	1,052,003	10,905	10,936	15.60	16.75
<b>As at December 31, 2021</b>					<b>63,546</b>	<b>65,283</b>	<b>93.14</b>	<b>100.00</b>
<b>As at June 30, 2021</b>					<b>60,051</b>	<b>73,866</b>		

## 6.2 Unrealised appreciation on re-measurement of investments classified as fair value through profit or loss

----- Un-audited -----						
December 31, 2021						
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	
----- (Rupees in '000) -----						
Market value (note 6.1)	23,600	26,781	127,532	127,454	65,283	370,650
Less: carrying value	23,338	26,344	124,499	124,169	63,546	361,896
	<b>262</b>	<b>437</b>	<b>3,033</b>	<b>3,285</b>	<b>1,737</b>	<b>8,754</b>



----- Audited -----						
December 31, 2020						
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	
----- (Rupees in '000) -----						
Market value	24,318	29,759	138,603	141,478	111,099	445,257
Less: carrying value	21,502	25,987	117,031	118,987	93,018	376,525
	<u>2,816</u>	<u>3,772</u>	<u>21,572</u>	<u>22,491</u>	<u>18,081</u>	<u>68,732</u>

## 7 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

----- Un-audited -----							
December 31, 2021							
Note	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	
----- (Rupees in '000) -----							
Management remuneration payable	7.1	-	-	10	13	6	29
Sindh sales tax payable on remuneration of the Management Company		-	-	1	2	1	4
Federal excise duty payable on remuneration of the Management Company	7.2	78	40	5	-	-	123
Federal excise duty payable on sales load	7.2	3,002	2,698	2,993	-	-	8,693
Reimbursement of allocated expenses payable	7.3	6	7	35	36	19	103
Others		25	25	25	15	20	110
		<u>3,111</u>	<u>2,770</u>	<u>3,069</u>	<u>66</u>	<u>46</u>	<u>9,062</u>

----- Audited -----							
June 30, 2021							
Note	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	
----- (Rupees in '000) -----							
Management remuneration payable	7.1	-	-	3	8	5	16
Sindh sales tax payable on remuneration of the Management Company		-	-	-	1	1	2
Federal excise duty payable on remuneration of the Management Company	7.2	78	40	5	-	-	123
Federal excise duty payable on sales load	7.2	3,002	2,698	2,993	-	-	8,693
Reimbursement of allocated expenses payable	7.3	4	6	35	34	20	99
Others		25	25	25	15	20	110
		<u>3,109</u>	<u>2,769</u>	<u>3,061</u>	<u>58</u>	<u>46</u>	<u>9,043</u>

- 7.1 During the period, the Management Company has charged its remuneration at the rate of 1.25% per annum of the average annual net assets (June 30, 2021: 1.25% per annum of the average annual net assets) for NIAAP-III, NIAAP-IV and NIAAP-V only. It's on the Management company's discretion whether to charge or discontinue applicable remuneration. The remuneration is payable to the Management Company monthly in arrears.
- 7.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 0.078 million (June 30, 2021: Rs 0.078 million) NIAAP I, Rs 0.040 million (June 30, 2021: Rs 0.040 million) NIAAP II and Rs 0.005 million (June 30, 2021: Rs 0.005 million) NIAAP III is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value as at December 31, 2020 would have been higher by Rs 0.629 (June 30, 2021: Rs 0.578) NIAAP I, Rs 0.243 (June 30, 2021: Rs 0.212) NIAAP II and Rs 0.005 (June 30, 2021: Rs 0.004) NIAAP III per unit.

- 7.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly, such expense has been charged at the rate of 0.1% of average annual net assets of the fund.

## 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		----- Un-audited -----					
		December 31, 2021					
		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
Note		----- (Rupees in '000) -----					
Trustee remuneration payable	8.1	1	2	8	8	4	23
Sindh sales tax payable on remuneration of the Trustee		-	-	1	1	1	3
		<u>1</u>	<u>2</u>	<u>9</u>	<u>9</u>	<u>5</u>	<u>26</u>



		----- Audited -----						
		June 30, 2021						
Note		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	
		----- (Rupees in '000) -----						
	Trustee remuneration payable	8.1	1	1	8	8	5	23
	Sindh sales tax payable on remuneration of the Trustee		-	-	1	1	1	3
			<u>1</u>	<u>1</u>	<u>9</u>	<u>9</u>	<u>6</u>	<u>26</u>

8.1 During the period, the Fund has charged Trustee remuneration at the rate of 0.07% per annum of the average annual net assets (June 30, 2021: 0.07% per annum of the average annual net assets).

## 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		----- Un-audited -----					
		December 31, 2021					
Note		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
		----- (Rupees in '000) -----					

	Annual fee payable	9.1	<u>2</u>	<u>3</u>	<u>14</u>	<u>14</u>	<u>8</u>	<u>41</u>
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		----- Audited -----					
		June 30, 2021					
Note		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
		----- (Rupees in '000) -----					

	Annual fee payable	9.1	<u>4</u>	<u>5</u>	<u>29</u>	<u>29</u>	<u>22</u>	<u>89</u>
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9.1 The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets (June, 2021: 0.02% per annum of the average annual net assets) during the current period.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

		----- Un-audited -----					
		December 31, 2021					
Note		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
		----- (Rupees in '000) -----					

	Auditors' remuneration payable		111	155	243	200	205	914
	Printing charges payable		35	21	43	60	8	167
	Bank charges payable		49	53	55	77	37	271
	Listing fee payable		-	-	-	-	-	-
	Shari'ah advisor fee payable		2	2	17	10	7	38
	Withholding tax payable		2	4	8	8	49	71
	Capital gain tax payable		2	1	46	3	13	65
	Provision against Sindh Workers Welfare Fund	10.1	-	-	-	-	-	-
	Legal and professional charges payable		<u>3</u>	<u>49</u>	<u>98</u>	<u>47</u>	<u>57</u>	<u>254</u>
			<u>204</u>	<u>285</u>	<u>510</u>	<u>405</u>	<u>376</u>	<u>1,780</u>



----- Audited -----							
June 30, 2021							
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total		
----- (Rupees in '000) -----							
Auditors' remuneration payable	220	202	247	229	230	1,128	
Printing charges payable	43	28	41	69	15	196	
Bank charges payable	50	52	54	82	36	274	
Listing fee payable	-	-	-	-	-	-	
Shari'ah advisor fee payable	2	4	22	18	15	61	
Withholding tax payable	257	97	359	208	775	1,696	
Capital gain tax payable	-	-	50	-	3	53	
Provision against Sindh Workers Welfare Fund	10.1	5,318	4,097	5,568	3,003	1,201	19,187
Legal and professional charges payable		27	88	101	103	84	403
		<u>5,917</u>	<u>4,568</u>	<u>6,442</u>	<u>3,712</u>	<u>2,359</u>	<u>22,998</u>

- 10.1** "Subsequent to the year ended June 30, 2021, 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 consultaion with SECP, have reversed the cumulative provision of SWWF on August 13, 2021, recognised in the condensed financial statements of the Funds, for the period from since inception to August 12, 2021.

Provisioning against Sindh Workers' Welfare Fund by NIAAP-I, NIAAP-II, NIAAP-III, NIAAP-IV and NIAAP-V amounting to Rs. 5.32 million, Rs. 4.11 million, Rs. 5.62 million, Rs. 3.05 million and 1.23 million respectively have been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. These reversals of provision have contributed towards an unusual increase in NAV of NIAAP-I, NIAAP-II, NIAAP-III, NIAAP-IV, NIAAP-V by 28.70%, 15.52%, 4.03%, 2.09% and 1.47% respectively on August 13, 2021. This is one off event and is not likely to be repaeted in the future.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

## 12 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the respective Plan by the number of units in issue at the period / year end.

## 13 TAXATION

The income of the Fund 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 ninety percent 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% 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 the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.



## 14 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Plans for the period ended December 31, 2021 is 2.5% (December 31, 2020: 3.3%) - NIAAP - I, 2.29% (December 31, 2020: 3.2%) - NIAAP - II, 0.84% (December 31, 2020: 1.4%) - NIAAP - III, 0.72% (December 31, 2020: 1.51%) - NIAAP - IV and 1.17% (December 31, 2020: 1.51%) - NIAAP - V which includes 0.03% (December 31, 2020: 0.82%) - NIAAP - I, 0.03% (December 31, 2020: 0.77%) - NIAAP - II, 0.04% (December 31, 2020: 0.79%) - NIAAP - III, 0.04% (December 31, 2020: 0.79%) - NIAAP - IV and 0.04% (December 31, 2020: 0.86%) - NIAAP - V representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% in each plan prescribed under the NBFC Regulations for a collective investment scheme categorised as a fund of funds scheme.

## 16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

**16.1** Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

**16.2** Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

**16.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

**16.4** Details of transactions with related parties / connected persons during the period are as follows:

Un-audited							Un-audited					
Half year ended December 31, 2021							Half year ended December 31, 2020					
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total		NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total

(Rupees in 000)

### NBP Fund Management Limited - Management Company

Remuneration of NBP Fund Management Limited -

Management Company	-	-	38	62	35	135	-	-	17	43	51	111
Sindh sales tax on remuneration of the Management Company	-	-	5	8	5	18	-	-	2	6	7	15
Reimbursement of allocated expenses	11	14	70	72	39	206	9	12	72	73	63	229

### Central Depository Company of Pakistan Limited - Trustee

Remuneration of Central Depository Company of

Pakistan Limited - Trustee	8	10	49	50	27	144	6	8	50	51	44	159
Sindh sales tax on remuneration of the Trustee	1	1	6	7	4	19	1	1	7	7	6	22

### Investments in NBP Islamic Active Allocation Equity Fund

Units purchased:	5,072	4,043	8,565	6,986	1,505	26,171	500	1,400	7,300	4,300	-	13,500
- 413,079 (2020: 49,838) units (NIAAP - I)												
- 329,435 (2020: 131,512) units (NIAAP - II)												
- 712,970 (2020: 712,308) units (NIAAP - III)												
- 590,473 (2020: 421,966) units (NIAAP - IV)												
- 128,585 (2020: Nil) units (NIAAP - V)												
Units sold:	2,806	5,060	22,900	15,600	13,822	60,188	6,873	7,493	40,598	42,002	54,125	151,091
- 233,610 (2020: 677,383) units (NIAAP - I)												
- 416,598 (2020: 769,672) units (NIAAP II)												
- 1,923,351 (2020: 4,015,357) units (NIAAP - III)												
- 1,290,002 (2020: 4,217,431) units (NIAAP - IV)												
- 1,147,178 (2020: 5,294,244) units (NIAAP - V)												



	Un-audited						Un-audited					
	Half year ended December 31, 2021						Half year ended December 31, 2020					
	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
(Rupees in 000)												
<b>Investment in NBP Active Allocation Riba Free Savings Fund</b>												
Units purchased:	2,106	2,940	13,600	14,800	10,296	43,742	6,873	5,593	40,598	36,602	47,390	137,056
- 197,642 (2020: 679,368) units (NIAAP - I)												
- 277,803 (2020: 553,804) units (NIAAP II)												
- 1,275,508 (2020: 4,014,840) units (NIAAP - III)												
- 1,388,684 (2020: 3,622,225) units (NIAAP - IV)												
- 960,267 (2020: 4,689,513) units (NIAAP - V)												
Units sold:	13,462	13,510	37,916	33,851	20,510	119,249	5,261	2,367	21,850	12,257	31,190	72,925
- 1,257,849 (2020: 517,439) units (NIAAP - I)												
- 1,266,278 (2020: 232,808) units (NIAAP - II)												
- 3,545,256 (2020: 2,143,108) units (NIAAP - III)												
- 3,165,756 (2020: 1,202,641) units (NIAAP - IV)												
- 1,911,249 (2020: 3,079,078) units (NIAAP - V)												
<b>Investment in NBP Islamic Income Fund</b>												
Units purchased:	6,516	6,837	23,485	20,065	10,905	67,808	-	-	-	-	-	-
- 628,607 (2020: Nil) units (NIAAP - I)												
- 659,589 (2020: Nil) units (NIAAP II)												
- 2,265,515 (2020: Nil) units (NIAAP - III)												
- 1,935,620 (2020: Nil) units (NIAAP - IV)												
- 1,052,003 (2020: Nil) units (NIAAP - V)												
<b>BankIslami Pakistan Limited - common directorship</b>												
Profit on bank balances	49	69	264	282	22	686	56	54	165	156	34	465
<b>Pakistan Stock Exchange Limited - common directorship **</b>												
Listing fee paid	-	-	-	-	-	-	5	5	5	5	5	25

## 16.5 Amounts / balances outstanding as at period / year end are as follows:

	Un-audited						Audited					
	December 31, 2021						June 30, 2021					
	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total
(Rupees in '000)												
<b>NBP Fund Management Limited - Management Company</b>												
Management remuneration payable	-	-	10	13	6	29	-	-	3	8	5	16
Sindh sales tax payable on remuneration of the Management Company	-	-	1	2	1	4	-	-	-	1	1	2
Federal excise duty payable on remuneration of the Management Company	78	40	5	-	-	123	78	40	5	-	-	123
Federal excise duty payable on sales load	3,002	2,698	2,993	-	-	8,693	3,002	2,698	2,993	-	-	8,693
Reimbursement of allocated expenses payable	6	7	35	36	19	103	4	6	35	34	20	99
Others	25	25	25	15	20	110	25	25	25	15	20	110
<b>Central Depository Company of Pakistan Limited - Trustee</b>												
Trustee remuneration payable	1	2	8	8	4	23	1	1	8	8	5	23
Sindh sales tax payable on remuneration of the Trustee	-	-	1	1	1	3	-	-	1	1	1	3
<b>Investment in NBP Islamic Active Allocation Equity Fund</b>												
Investment of:	17,065	19,924	103,980	107,332	54,347	302,648	14,461	20,291	114,568	111,948	64,313	325,581
- 1,438,961 (June, 2021: 1,259,492) units (NIAAP - I),												
- 1,680,039 (June, 2021: 1,767,202) units (NIAAP - II),												
- 8,767,791 (June, 2021: 9,978,172) units (NIAAP - III),												
- 9,050,425 (June, 2021: 9,749,954) units (NIAAP - IV) and												
- 4,582,618 (June, 2021: 5,601,211) units (NIAAP - V)												
<b>Investment in NBP Active Allocation Riba Free Savings Fund</b>												
Investment of:	-	-	-	-	-	-	10,650	9,930	22,801	17,851	9,553	70,785
- Nil (June, 2021: 1,060,207) units (NIAAP - I),												
- Nil (June, 2021: 988,475) units (NIAAP - II),												
- Nil (June, 2021: 2,269,748) units (NIAAP - III),												
- Nil (June, 2021: 1,77,072) units (NIAAP - IV) and												
- Nil (June, 2021: 950,982) units (NIAAP - V)												



Un-audited						Audited					
December 31, 2021						June 30, 2021					
NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total	NIAAP I	NIAAP II	NIAAP III	NIAAP IV	NIAAP V	Total

**Investment in NBP Islamic Income Fund\***

Investment of:

- 628,607 (June, 2021: Nil) units (NIAAP - I),	6,535	6,857	23,552	20,122	10,936	68,002	-	-	-	-	-	-
- 659,589 (June, 2021: Nil) units (NIAAP - II),												
- 2,265,515 (June, 2021: Nil) units (NIAAP - III),												
- 1,935,620 (June, 2021: Nil) units (NIAAP - IV) and												
- 1,052,003 (June, 2021: Nil) units (NIAAP - V)												

**BankIslami Pakistan Limited - common directorship**

Bank balances	1,290	1,801	11,848	11,345	801	27,085	1,005	1,598	1,146	1,287	161	5,197
Profit receivable on bank balances	10	20	95	96	4	225	7	15	8	13	1	44

**PSOCL - Staff Provident Fund B - unit holder holding 10% or more units**

Units held:	-	-	20,679	-	-	20,679	-	-	19,130	-	-	19,130
- 157,571 (June, 2021: 157,571) units (NIAAP - III)												

**State Oil Company Limited-Staff Provident Fund - unit holder holding 10% or more units**

Units held:	-	-	-	56,637	-	56,637	-	-	-	53,473	-	53,473
- 489,060 (June, 2021: 489,060) units (NIAAP - IV)												

**Tapal Tea (Private) Limited Employees Gratuity Fund - unit holder holding 10% or more units**

Units held:	-	15,464	-	-	-	15,464	-	12,778	-	-	-	12,778
- 100,000 (June 2021: 100,000) units (NIAAP - II)												

**Seema Adil (Unit Holder with more than 10% holding)**

Units held:	-	2,958	-	-	-	2,958	-	2,444	-	-	-	2,444
- 19,125 (June 2021: 19,125) units (NIAAP - II)												

**Akbar Adil (Unit Holder with more than 10% holding)**

Units held:	-	2,955	-	-	-	2,955	-	2,442	-	-	-	2,442
- 19,111 (June 2021: 19,111) units (NIAAP - II)												

**Fmc United Employees Gratuity Fund - unit holder holding 10% or more units**

Units held:	-	-	19,376	-	-	19,376	-	-	17,925	-	-	17,925
- 147,648 (June 2021: 147,648) units (NIAAP - III)												

**PSOCL Employees Provident Fund - unit holder holding 10% or more units**

Units held:	-	-	-	56,176	-	56,176	-	-	-	53,038	-	53,038
- 485,081 (June, 2021: 485,081) units (NIAAP - IV)												

**Rukhsana Aslam - unit holder holding 10% or more units**

- 17,648 (June, 2021: 17,648) units (NIAAP - I)	3,124	-	-	-	-	3,124	2,288	-	-	-	-	2,288
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**The Aligarh Old Boys Association Lahore Duty Society - unit holder holding 10% or more units**

Units held:	-	-	-	-	22,781	22,781	-	-	-	-	21,698	21,698
- 217,035 (June, 2021: 217,035) units (NIAAP - V)												

**Employees of the Management Company**

Units held:	108	-	-	-	-	108	79	-	-	-	-	79
- 613 (June, 2021: 613) units (NIAAP - I)												

**Pakistan Stock Exchange Limited - common directorship\*\***

Listing fee payable	-	-	-	-	-	-	5	5	5	5	5	25
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**Systems Limited Employees Provident Fund - unit holder holding 10% or more units**

Units held:	-	-	25,258	-	-	25,258	-	-	23,367	-	-	23,367
- 192,470 (June, 2021: 192,470) units (NIAAP - III)												

**Asim Textile Mills Limited - unit holder holding 10% or more units**

Units held:	-	-	17,077	-	-	17,077	-	-	15,798	-	-	15,798
- 130,129 (June, 2021: 130,126) units (NIAAP - III)												



\* Prior period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2021.

\*\* Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2021.

## 17 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities 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 or indirectly; and

Level 3: unobservable inputs for the asset or liability.

As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

### 17.1 NAFA Islamic Active Allocation Plan I

	Un-audited				Audited			
	As at December 31, 2021				As at June 30, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000				Rupees in '000			
<b>ASSETS</b>								
Investment - financial assets 'at fair value through profit or loss'								
- Mutual funds	-	23,600	-	23,600	-	25,112	-	25,112

### 17.2 NAFA Islamic Active Allocation Plan II

	Un-audited				Audited			
	As at December 31, 2021				As at June 30, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000				Rupees in '000			
<b>ASSETS</b>								
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	26,781	-	26,781	-	30,220	-	30,220

## 17.3 NAFA Islamic Active Allocation Plan III

	Un-audited				Audited			
	As at December 31, 2021				As at June 30, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000				Rupees in '000			
<b>ASSETS</b>								
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	127,532	-	127,532	-	137,369	-	137,369

## 17.4 NAFA Islamic Active Allocation Plan IV

	Un-audited				Audited			
	As at December 31, 2021				As at June 30, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000				Rupees in '000			
<b>ASSETS</b>								
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	127,454	-	127,454	-	129,799	-	129,799

## 17.5 NAFA Islamic Active Allocation Plan V

	Un-audited				Audited			
	As at December 31, 2021				As at June 30, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000				Rupees in '000			
<b>ASSETS</b>								
Investment - financial assets 'at fair value through profit or loss'								
- Mutual fund units	-	65,283	-	65,283	-	73,866	-	73,866

## 18 GENERAL

18.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

18.2 No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

## 19 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 23, 2022.

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

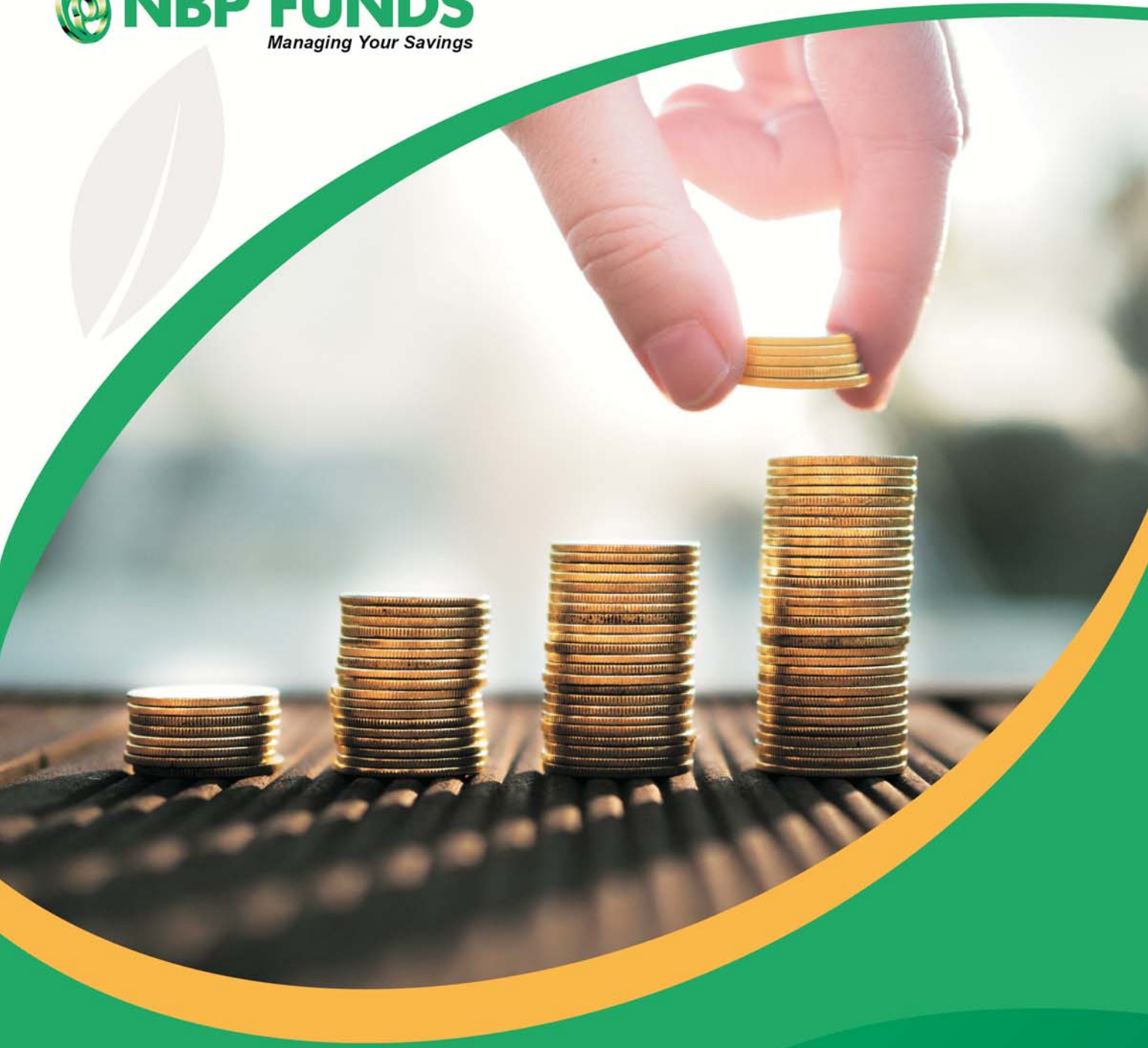
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**Website:** [www.nbpfunds.com](http://www.nbpfunds.com)

 /nbpfunds



## **NBP BALANCED FUND**

**HALF YEARLY** REPORT  
DECEMBER 31, 2021

**AM1**  
Rated by PACRA



# **MISSION STATEMENT**

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



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## FUND'S INFORMATION

### Management Company

#### NBP Fund Management Limited - Management Company

#### Board of Directors of Management Company

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

#### Company Secretary & COO

Mr. Muhammad Murtaza Ali

#### Chief Financial Officer

Mr. Khalid Mehmood

#### Audit & Risk Committee

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

#### Human Resource Committee

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

#### Strategy & Business Planning Committee

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

#### Trustee

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

#### Bankers to the Fund

Allied Bank Limited	MCB Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Al Habib Limited	Zarai Taraqati Bank Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Summit Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	



## **Auditors**

Grant Thornton Anjum Rahman.  
1st & 3rd Floor,  
Modern Motors House, Beaumont Road,  
Karachi, 75530

## **Legal Advisor**

Akhund Forbes  
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Fax: 091-5703202

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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 Balanced Fund (NBF)** for the half year ended December 31, 2021.

### Fund's Performance

After impressive return in FY21, the 1HFY22 has remained lackluster for the stock market in terms of performance. The market oscillated in a narrow range during the period, amid thin volumes, showing lack of interest on part of investors and at period close, the benchmark KSE-100 index fell by around 2,760 points, translating into a decline of 5.8% during the period under review.

June period and September period results came in during 1H, whereby companies posted massive growth in profits along with healthy payouts. However, the market performance remained subdued which can be attributed to deterioration in key economic variables. Although the economic growth picked further steam during the year, the external vulnerabilities also came to the fore as aggregate domestic demand surged and the ongoing commodity super-cycle further exacerbated the external imbalances. Despite healthy growth in remittances and goods exports, which surged by 11.3% and 29% respectively, import bill rose massively by 57% on a YoY basis, and current account deficit clocked in at USD 9.1bn. For the same reason, PKR remained under duress and depreciated by a significant 12% during the period. Both these factors caused uncertainty in terms of outlook, as investors weighed the impact on margins and corporate profitability going forward. Monthly inflation reading also kept creeping up and average inflation stood at around 9.8% for the period under review. To compress both the external imbalances and the high inflation, the central bank resorted to monetary tightening during the period as Policy Rate was raised by a cumulative 2.75% in the 1H. Inordinate delay in the resumption of the IMF program, which is on hiatus since March-21, was another reason for uneasiness in the market. Lastly, the downgrade of Pakistan from the MSCI Emerging Market to MSCI Frontier Market also took place during the period, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows during the period, which further dented the stock market performance.

On the positive side, Roshan Digital Account (RDA) continued to grow with vigour, as cumulative flows stood at USD 3.2 billion at Dec-21 (net inflows of around USD 1.6bn in 1HFY22). The country also received around USD 2.75bn from IMF under its new Special Drawing Rights (SDR) allocation, under its historic funding of USD 650bn for the developing and developed member countries. In addition to it, the country was able to secure USD 4.2 billion support package from Saudi Arabia, which involved USD 3 billion deposit with SBP and the remaining as oil supplies on deferred payments during the year.

Looking at the sector wise performance of the market, Automobile Assemblers, Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Oil & Gas Exploration, Power Generation & Distribution, and Textile Composite sectors outperformed the market, while Auto Parts & Accessories, Cable & Elec. Goods, Cements, Engineering, Insurance, Oil & Gas Marketing, Paper & Board, Pharmaceuticals, Refinery, Technology & Communication, and Vanaspati sectors lagged the market. In terms of participant-wise activity, Individuals, Insurance, and Companies remained the largest buyers during the period with net inflows of USD 72 million, USD 66 million and USD 60 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 250 million.

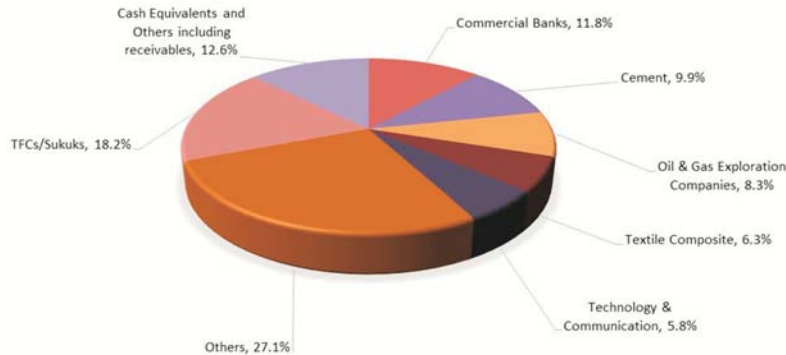
During 1HFY22, the Monetary Policy Committee (MPC) of SBP raised the Policy Rate by 275 basis points to 9.75%; in order to counter the inflationary pressures and ensure economic sustainability. Average inflation during 1HFY22 remained elevated and stood at 9.8%, owing to high global prices and domestic demand growth. SBP expects inflation to average 9% - 11% during the fiscal year due to the rise in utility charges, motor fuel, house rent, milk, and other household consumables. However, in the near-term, MPC expects monetary policy settings to remain broadly unchanged.

During the period, the SBP held thirteen T-Bill auctions, realizing Rs. 7.7 trillion against a target of Rs. 10.2 trillion and maturity of Rs. 9.5 trillion. The T-Bills yields increased by 3.07%, 3.77% and 3.57% for 3-month, 6-month and 12-month tenures, respectively. This uptick in short-term sovereign yields is primarily reflective of demand versus supply side factors. The market interest tilted towards shorter tenors given the market expectation and uncertainty of monetary easing. In the last auction, cut-off yields on T-Bill for 3-month, 6-month, and 12-month tenures were noted at 10.59%, 11.45% and 11.51%, respectively.

The size of NBP Balanced Fund has decreased from Rs. 1,608 million to Rs. 907 million during the period, i.e., a decrease of 44%. During the period, the unit price of NBP Balanced Fund (NBF) has increased from Rs. 19.3595 on June 30, 2021 to Rs. 19.4864 on December 31, 2021, thus showing an increase of 0.7%. The Benchmark decrease during the same period was 1.8%. Thus, the Fund has outperformed its Benchmark by 2.5% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.4582 (Ex-Div) on January 19, 2007 to Rs. 19.4864 on December 31, 2021, thus showing an increase of 463.5%. During the said period, the Benchmark increased by

230.8%, translating into outperformance of 232.7%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall not be repeated in the future.

NBP Balanced Fund earned a total income of Rs. 19.33 million during the period. After deducting total expenses of Rs. 31.00 million, the total loss is Rs. 11.67 million. The asset allocation of the Fund as on December 31, 2021 is as follows:



## NBF Performance versus Benchmark



## Acknowledgement

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

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

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive**

**Director**

Date: **February 23, 2022**  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے NBP ہیلتھ فنڈ (NBF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### ٹریڈ کی کارکردگی

FY21 میں متاثر کن منافع کے بعد، 1HFY22 کارکردگی کے لحاظ سے اسٹاک مارکیٹ کے لئے غیر متاثر کن رہی۔ اس عرصہ کے دوران مارکیٹ میں گردش اتار چڑھاؤ بہا، معمولی حجم کے ساتھ، سرمایہ کاروں نے غیر دلچسپی کا مظاہرہ کیا اور مدت کے اختتام پر، بیچ مارک KSE-100 انڈیکس میں تقریباً 2,760 پوائنٹس کمی ہوئی، جس سے زیر جائزہ مدت کے دوران 5.8 فیصد کمی واقع ہوئی۔

جون اور ستمبر کی مدت کے نتائج پہلی ششماہی کے دوران آئے، جس کے تحت کمپنیوں نے زبردست منافع کے ساتھ اچھا عبوری منافع دیا۔ تاہم، مارکیٹ کی کارکردگی کم رہی جس کی وجہ اہم اقتصادی متغیرات میں بگاڑ کو قرار دیا جاسکتا ہے۔ اگرچہ سال کے دوران معاشی نمو مزید تیز ہو گئی، تاہم مجموعی مقامی طلب میں اضافے اور اجناس کے جاری سپر سائیکل کے باعث بیرونی عدم توازن مزید بڑھ جانے کی وجہ سے بیرونی دباؤ بھی سامنے آیا۔ ترسیلات زر اور سامان کی برآمدات میں بہتر نمونے کا وجود، جس میں بالترتیب %11.3 اور %29 کا اضافہ ہوا، درآمدی بل میں سالانہ بنیادوں پر %57 کا مجموعی اضافہ ہوا، اور کرنٹ اکاؤنٹ خسارہ 9.1 بلین امریکی ڈالر تک پہنچ گیا۔ اسی وجہ سے، پاکستانی روپیہ دباؤ میں رہا اور اس مدت کے دوران قدر میں نمایاں طور پر %12 کی کمی واقع ہوئی۔ یہ دونوں عوامل مجموعی نقطہ نظر کے لحاظ سے غیر یقینی صورتحال کا باعث بنے، کیونکہ سرمایہ کاروں نے مستقبل میں مارجن اور کارپوریٹ منافع پر اثر کو اہمیت دی۔ ماہانہ افراط زر کی شرح میں بھی اضافہ ہوتا رہا اور زیر جائزہ مدت میں اوسط افراط زر تقریباً 9.8 فیصد رہا۔ بیرونی عدم توازن اور بلند افراط زر دونوں کو کم کرنے کے لیے، مرکزی بینک نے اس عرصے کے دوران مالیاتی سختی کا سہارا لیا کیونکہ پہلی ششماہی میں پالیسی شرح میں مجموعی طور پر %2.75 اضافہ کیا گیا۔ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں غیر معمولی تاخیر، جو مارچ 21 سے قسط کا شکار ہے، مارکیٹ میں بے چینی کی ایک دوسری وجہ تھی۔ آخر میں، پاکستان کی MSCI اہم رجسٹریٹڈ مارکیٹ سے MSCI فرٹنٹیز مارکیٹ میں تنزلی بھی اس عرصے کے دوران ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے توازن بحال کرنے کی ضرورت پڑی جس کے نتیجے میں اس عرصہ کے دوران غیر معمولی بیرونی اخراج ہوا، جس نے اسٹاک مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔

مثبت پہلو پر، روشن ڈیجیٹل اکاؤنٹ (RDA) تیزی سے بڑھتا رہا، جیسا کہ مجموعی آمد دسمبر 21 کو 3.2 بلین امریکی ڈالر (1HFY22) میں تقریباً 1.6 بلین امریکی ڈالر کی خالص آمد) رہا۔ ملک نے ترقی پذیر اور ترقی یافتہ رکن ممالک کے لیے 650 بلین امریکی ڈالر کی تاریخی فنڈنگ کے تحت اپنے نئے اسٹیٹس ڈرائنگ رائٹس (SDR) کے تحت آئی ایم ایف سے تقریباً 2.75 بلین امریکی ڈالر وصول کیے۔ اس کے علاوہ، ملک سعودی عرب سے 4.2 بلین امریکی ڈالر امدادی چیک حاصل کرنے میں کامیاب رہا، جس میں سے 3 بلین امریکی ڈالر SBP کے پاس ڈیپازٹ اور باقی سال کے دوران موخر ادا کیگیوں پر تیل کی سپلائی کے طور پر شامل تھا۔

مارکیٹ کی بیکٹرواز کارکردگی کے پیش نظر، آٹوموبائل اسمبلر، کیمیکلز، کمرشل بینکس، کھادیں، خوراک اور ذرائع گھنڈاشت، گلاس اینڈ سٹریٹس، تیل و گیس، ایکویٹی لینڈنگ، بجلی پیداوار اور تقسیم کرنے، اور ٹیکسٹائل کمپوزٹ سیکٹرز نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹو پارٹس اور ایئر لائنز، کمپلیکس اور الیکٹرونکس کا سامان، سینٹ، انجینئرنگ، انشورنس، تیل و گیس مارکیٹنگ، کاغذ اور بورڈ، دواسازی، ریفریجریٹرز، ٹیکنالوجی اور کمیونیکیشن، اور وینا سٹی کے شعبے مارکیٹ سے پیچھے رہ گئے۔ شراکت دار سرگرمی کے لحاظ سے، افراد، انشورنس، اور کمپنیاں زیر جائزہ مدت کے دوران بالترتیب 72 بلین امریکی ڈالر، 66 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر کی خالص آمدنی کے ساتھ بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 250 بلین امریکی ڈالر کے خالص اخراج کے ساتھ سب سے زیادہ فروخت کنندگان رہے۔

1HFY22 کے دوران، SBP کی مانیٹری پالیسی کمیٹی (MPC) نے افراط زر کے دباؤ کو کم کرنے اور اقتصادی استحکام کو یقینی بنانے کے لئے پالیسی شرح میں 275 بیس پوائنٹس کا اضافہ کرتے ہوئے 9.75 فیصد کر دیا۔ 1HFY22 کے دوران اوسط افراط زر عالمی قیمتیں اور مقامی طلب نمو زیادہ ہونے کی وجہ سے 9.8 فیصد پر بلند رہا۔ یوٹیلٹی چارجز، موٹر فیول، ہاؤس ریٹ، دودھ اور دیگر گھریلو استعمال کی اشیاء کی قیمتیں بڑھنے کے باعث، SBP کو مالی سال کے دوران افراط زر اوسطاً %11-9% رہنے کی امید ہے۔ تاہم، قریب مدت میں، MPC کو توقعات ہیں کہ مانیٹری پالیسی بڑے پیمانے پر تبدیل نہیں ہوگی۔

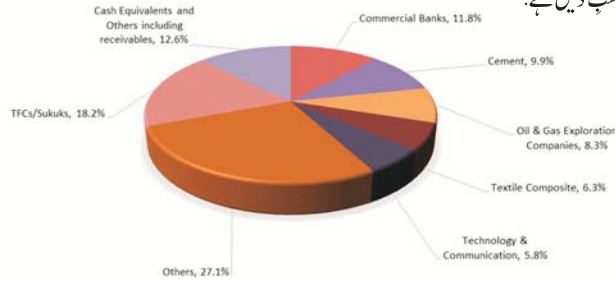
اسٹیٹ بینک پاکستان نے اس عرصے کے دوران تیرہ ٹی بلز کی نیلامی کی، جس میں 10.2 ٹریلین روپے کے ہدف اور 9.5 ٹریلین روپے کی میچورٹی کے مقابل 7.7 ٹریلین روپے حاصل کئے۔ ٹی بلز کے شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے بالترتیب 3.07 فیصد، 3.77 فیصد اور 3.57 فیصد اضافہ ہوا۔ مختصر مدتی شرح منافع میں یہ اضافہ بنیادی طور پر سہ ماہی بلکہ طلب کے عوامل کی عکاسی ہے۔ مارکیٹ توقعات اور مالیاتی آسانی کی غیر یقینی کو دیکھتے ہوئے مارکیٹ کا جھکاؤ مختصر مدتوں کی طرف رہا۔ گزشتہ نیلامی میں 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لئے شرح منافع بالترتیب 10.59 فیصد، 11.45 فیصد اور 11.51 فیصد درج کی گئی تھی۔



NBP: ہیلنسڈ فنڈ (NBF) کا سائز اس مدت کے دوران 1,608 ملین روپے سے کم ہو کر 907 ملین روپے ہو گیا، یعنی 44% کی کمی ہوئی۔ اس مدت کے دوران NBP: ہیلنسڈ فنڈ (NBF) کے پونٹ کی قیمت 30 جون 2021 کو 19.3595 روپے سے بڑھ کر 31 دسمبر 2021 کو 19.4864 روپے پر پہنچ چکی ہے۔ لہذا 0.7% کا اضافہ دیکھنے میں آیا۔ اسی مدت کے دوران بیچ مارک کم ہو کر 1.8% ہو گیا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 2.5% سے بہتر کارکردگی دیکھائی۔ اپنے قیام سے اب تک فنڈ کی NAV 19 جنوری 2007 کو 3.4582 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2021 کو 19.4864 روپے ہو گئی، لہذا 463.5% کا اضافہ ہوا۔ اس مدت کے دوران، بیچ مارک میں 230.8% اضافہ ہوا۔ جس کا نتیجہ فنڈ کی 232.7% بہتر کارکردگی کی صورت میں سامنے آیا ہے۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈنگ واپس کر دی گئی۔ پروڈنگ کی اس واپسی کے باعث فنڈ کے NAV میں غیر معمولی اضافہ ہوا ہے۔ یہ ایک آخری موقع ہے جو کہ مستقبل میں دوبارہ نہیں آئے گا۔

NBP: ہیلنسڈ فنڈ کو موجودہ سہ ماہی کے دوران 19.33 ملین روپے کی کل آمدنی ہوئی۔ 31.00 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 11.67 ملین روپے ہے۔

31 دسمبر 2021 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NBF کی کارکردگی بمقابلہ بیچ مارک (اپنے قیام سے)



اظہار تشکر

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

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

منیاب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 23 فروری 2022ء

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 Balanced 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, 2021 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 25, 2022



## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of NBP Balanced Fund (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the interim financial statements). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2021.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shukat Naseeb**.

**Grant Thornton Anjum Rahman**

Chartered Accountants

Date: February 23, 2022

Karachi



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Bank balances	5	130,802	403,868
Investments	6	792,323	1,233,854
Dividend and profit receivables	7	3,840	3,436
Receivable against transfer of units		-	149
Advance, deposits and prepayments	8	3,746	13,102
<b>Total assets</b>		<b>930,711</b>	<b>1,654,409</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company	9	8,912	10,118
Payable to Central Depository Company of Pakistan Limited - Trustee	10	181	248
Payable to Securities and Exchange Commission of Pakistan	11	150	312
Payable against purchase of investments		672	296
Payable against redemption of units		-	82
Accrued expenses and other liabilities	12	13,912	35,680
<b>Total liabilities</b>		<b>23,827</b>	<b>46,736</b>
<b>NET ASSETS</b>		<b>906,884</b>	<b>1,607,673</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>906,884</b>	<b>1,607,673</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>46,539,349</b>	<b>83,043,193</b>
		(Rupees)	
<b>NET ASSETS VALUE PER UNIT</b>		<b>19.4864</b>	<b>19.3595</b>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statement

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Note ----- (Rupees in '000) -----				
<b>INCOME</b>				
(Loss)/gain on sale of investments - net	(40,717)	34,471	(39,620)	5,343
Profit on bank deposits	5,103	9,154	1,849	4,887
Income from term finance certificate and sukuks	7,672	5,909	3,956	2,814
Discount Income on treasury bills	8,054	14,577	4,253	7,850
Dividend income	39,014	14,342	23,242	10,593
Unrealised (diminution)/appreciation on re-measurement of investments 'at fair value through profit or loss' - net	6.6 (19,462)	148,151	37,718	40,414
<b>Total (Loss)/ Income</b>	(336)	226,604	31,398	71,901
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited - Management Company	9.1 11,259	11,484	5,166	5,813
Sindh Sales Tax on remuneration of Management Company	1,464	1,493	672	756
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1 1,247	1,270	589	640
Sindh Sales Tax on remuneration of Trustee	162	165	76	83
Reimbursement of allocated expenses	9.2 1,446	905	689	527
Reimbursement of selling & marketing expenses	9.3 13,393	11,484	6,199	5,813
Annual Fee - Securities and Exchange Commission of Pakistan	11 150	153	69	77
Annual listing fee	14	14	7	7
Securities transaction costs	989	542	811	201
Settlement and bank charges	190	198	15	-
Auditors' remuneration	280	487	165	375
Legal and professional charges	251	92	206	69
Mutual fund rating fee	133	121	66	60
Printing and other charges	23	54	12	40
<b>Total expenses</b>	31,001	28,462	14,742	14,462
<b>Net (loss)/profit from operating activities</b>	(31,337)	198,142	16,656	57,439
Reversal/(provision) for Sindh Workers' Welfare Fund	12.1 19,666	(3,963)	-	(1,149)
<b>Net (loss)/profit for the period before taxation</b>	(11,671)	194,179	16,656	56,290
Taxation	14 -	-	-	-
<b>Net (loss)/ profit for the period</b>	(11,671)	194,179	16,656	56,290
<b>Allocation of net income for the period</b>				
Net income for the period	-	194,179	-	-
Income already paid on units redeemed	-	(2,583)	-	-
	-	191,596	-	-
<b>Accounting income available for distribution:</b>				
-Relating to capital gains	-	180,158	-	-
-Excluding capital gains	-	11,438	-	-
	-	191,596	-	-

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statement

**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 DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net (loss)/profit for the period after taxation</b>	<b>(11,671)</b>	194,179	<b>16,656</b>	56,290
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(11,671)</b>	194,179	<b>16,656</b>	56,290

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statement

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 HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021			December 31, 2020		
	Capital value	Undistributed (loss)/income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period (audited)	865,049	742,624	1,607,673	854,689	527,030	1,381,719
Issue of 985,600 units (2020: 1,477,098 units)						
- Capital value	19,081	-	19,081	24,655	-	24,655
- Element of income	247	-	247	2,300	-	2,300
Total proceeds on issuance of units	19,328	-	19,328	26,955	-	26,955
Redemption of 37,489,444 units ( 2020: 1,948,076 units)						
- Capital value	(725,777)	-	(725,777)	(32,517)	-	(32,517)
- Element of income/(loss)	17,331	-	17,331	(807)	(2,583)	(3,390)
Total payments on redemption of units	(708,446)	-	(708,446)	(33,324)	(2,583)	(35,907)
Total comprehensive (loss)/income for the period	-	(11,671)	(11,671)	-	194,179	194,179
<b>Net assets at end of the period (un-audited)</b>	<b>175,931</b>	<b>730,953</b>	<b>906,884</b>	<b>848,320</b>	<b>718,626</b>	<b>1,566,946</b>
Undistributed income brought forward (June 30, 2021 and June 30, 2020)						
- Realised		554,672			524,840	
- Unrealised		187,952			2,190	
		742,624			527,030	
Accounting income available for distribution:						
- Relating to capital gains		-			180,158	
- Excluding capital gains		-			11,438	
		-			191,596	
Total comprehensive loss for the period		(11,671)			-	
Undistributed income carried forward		730,953			718,626	
Undistributed income carried forward						
- Realised		750,415			570,475	
- Unrealised (loss)/income		(19,462)			148,151	
		730,953			718,626	
				(Rupees)		(Rupees)
Net assets value per unit at the beginning of the period			19.3595			16.6917
Net assets value per unit at the end of the period			19.4864			19.0376

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statement

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

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31,	
	2021	2020
Note	(Rupees in 000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)/ profit for the period before taxation	(11,671)	194,179
<b>Adjustments for:</b>		
Unrealised diminution/(appreciation) on re-measurement of investments 'at fair value through profit or loss' - net	19,462	(148,151)
	<u>7,791</u>	<u>46,028</u>
<b>Working capital changes</b>		
<b>(Increase) / decrease in assets</b>		
Investments	422,069	99,278
Dividend and profit receivable	(404)	(43)
Receivable against transfer of units	-	2,132
Advance, deposits and prepayments	9,356	106
	<u>431,021</u>	<u>101,473</u>
<b>Increase/(decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	(1,206)	1,346
Payable to Central Depository Company of Pakistan Limited - Trustee	(67)	23
Payable to Securities and Exchange Commission of Pakistan	(162)	(132)
Payable against purchase of investments	672	16,554
Accrued expenses and other liabilities	(22,064)	76
	<u>(22,827)</u>	<u>17,867</u>
<b>Net cash generated from operating activities</b>	<u>415,985</u>	<u>165,368</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	19,477	26,905
Payment against redemption of units	(708,528)	(35,793)
<b>Net cash used in financing activities</b>	<u>(689,051)</u>	<u>(8,888)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(273,066)</b>	<b>156,480</b>
Cash and cash equivalents at beginning of the period	403,868	554,469
<b>Cash and cash equivalents at end of the period</b>	<b>5 130,802</b>	<b>710,949</b>

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 HALF YEAR ENDED DECEMBER 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NBP Balanced Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited and Central Depository Company of Pakistan Limited (CDC), as Trustee. The Trust Deed was executed on December 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 01 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The effective date of change of name of the Fund is April 05, 2019.

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 Mutual Fund Association of Pakistan (MUFAP).

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

The Fund is an open-ended mutual fund classified as a "balanced scheme" 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.

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company, a short term performance ranking of 2 star and long term ranking of '4 star' to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan (CDC) Limited as Trustee of the Fund.

### 2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSCATIONS

Except for the transactions mentioned in note 19, there were no significant events and transactions that have affected the Fund's financial position and performance.

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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 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 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 IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

The Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

## **4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS**

### **4.1 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Fund**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.



Standard or Interpretation	Effective Date "(Accounting periods beginning on or after)"
Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023

The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the condensed interim financial statements of the Fund.

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
<b>5 BANK BALANCES</b>	<b>Note</b>	<b>(Rupees in '000)</b>
In current accounts	920	3,549
In savings accounts	5.1 129,882	400,319
	<u>130,802</u>	<u>403,868</u>

5.1 These include balances of Rs. 1.020 million (June 30, 2021: Rs. 3.7 million) and Rs. 0.214 million (June 30, 2021: Rs. 0.004 million) maintained with National Bank of Pakistan and BankIslami Pakistan Limited (related parties) respectively, that carries profit at the rates ranging from 6.4% to 11.25% (June 30, 2021: 7.25%) per annum. Other savings accounts of the Fund carry profit rates ranging from 5.5% to 10.98% (June 30, 2021: 4.5% to 7.65%) per annum.

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
<b>6 INVESTMENTS</b>	<b>Note</b>	<b>(Rupees in '000)</b>
<b>Financial assets 'at fair value through profit or loss'- (FVTPL)</b>		
- Listed equity securities	6.1 627,609	1,066,890
- Term finance certificates - listed	6.2 -	-
- Term finance certificates - unlisted	6.3 39,168	40,769
- Treasury Bills	6.4 -	-
- Sukuk bonds	6.5 125,546	126,195
	<u>792,323</u>	<u>1,233,854</u>



## 6.1 Equity securities - Listed

All shares have a nominal face value of Rs 10 each, except for shares of Thal Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs 5 and K-Electric Limited which has a face value of Rs. 3.5.

Name of the investee company	Number of shares						Market value as at December 31, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company held
	As at July 01, 2021	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at December 31, 2021		Net assets of the Fund	Total market value of investments	
	(Number of Shares)						(Rupees in '000)	(%)		
<b>Oil &amp; Gas Exploration Companies</b>										
Oil and Gas Development Company Limited (Refer 6.1.1)	511,596	12,000	-	-	(315,810)	207,786	17,911	1.98	2.26	0%
Pakistan Oilfields Limited	29,528	1,500	-	-	(15,000)	16,028	5,732	0.63	0.72	1%
Pakistan Petroleum Limited (Refer 6.1.1)	475,342	7,200	-	-	(226,652)	255,890	20,226	2.23	2.55	1%
Mari Petroleum Limited	35,783	-	-	-	(17,000)	18,783	31,072	3.43	3.92	1%
	<b>1,052,249</b>	<b>20,700</b>	<b>-</b>	<b>-</b>	<b>(574,462)</b>	<b>498,487</b>	<b>74,941</b>	<b>8.27</b>	<b>9.45</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited (Refer 6.1.1 & 6.1.2)	142,350	4,000	-	-	(70,000)	76,350	13,887	1.53	1.75	2%
Attock Petroleum Limited	16,261	-	-	-	(2,100)	14,161	4,447	0.49	0.56	1%
Hascol Petroleum Limited (Refer 6.1.2)	777	-	-	-	-	777	5	-	-	0%
Sui Northern gas Pipelines	90,500	-	-	-	(90,500)	-	-	-	-	0%
	<b>249,888</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>(162,600)</b>	<b>91,288</b>	<b>18,339</b>	<b>2.02</b>	<b>2.31</b>	
<b>Fertilizers</b>										
Engro Fertilizers Limited	28,834	-	-	-	(28,834)	-	-	-	-	0%
Fauji Fertilizer Bin Qasim Limited (Refer 6.1.1)	441,000	100,000	-	-	(260,000)	281,000	6,963	0.77	0.88	3%
Engro Corporation Limited	137,319	-	-	-	(68,000)	69,319	18,884	2.08	2.38	1%
Fauji Fertilizer Company Limited (Refer 6.1.1)	347,601	45,500	-	-	(189,501)	203,600	20,413	2.25	2.58	2%
	<b>954,754</b>	<b>145,500</b>	<b>-</b>	<b>-</b>	<b>(546,335)</b>	<b>553,919</b>	<b>46,260</b>	<b>5.10</b>	<b>5.84</b>	
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited (Refer 6.1.1)	641,123	9,500	-	-	(264,000)	386,623	20,959	2.31	2.65	4%
ICI Pakistan Limited	2,400	-	-	-	(2,400)	-	-	-	-	0%
Lotte Chemical Pakistan Ltd	947,500	100,000	-	-	(675,000)	372,500	5,088	0.56	0.64	2%
	<b>1,591,023</b>	<b>109,500</b>	<b>-</b>	<b>-</b>	<b>(941,400)</b>	<b>759,123</b>	<b>26,047</b>	<b>2.87</b>	<b>3.29</b>	
<b>Cement</b>										
D.G. Khan Cement Pakistan Limited	91,500	-	-	-	(91,500)	-	-	-	-	0%
Fauji Cement Company Limited (Refer 6.1.1)	634,500	713,500	-	-	(694,000)	654,000	12,014	1.32	1.52	5%
Kohat Cement Company Limited	119,450	30,600	-	-	(2,500)	147,550	27,828	3.07	3.51	7%
Attock Cement Pakistan Limited (Refer 6.1.1)	-	68,300	-	-	-	68,300	9,491	1.05	1.20	5%
Lucky Cement Limited (Refer 6.1.1)	87,764	1,100	-	-	(34,400)	54,464	36,996	4.08	4.67	2%
Cherat Cement Company Limited	68,700	28,500	-	-	(96,700)	500	74	0.01	0.01	0%
Maple Leaf Cement Cement Factory Limited	248,319	112,500	-	-	(276,300)	84,519	3,038	0.33	0.38	1%
	<b>1,250,233</b>	<b>954,500</b>	<b>-</b>	<b>-</b>	<b>(1,195,400)</b>	<b>1,009,333</b>	<b>89,441</b>	<b>9.86</b>	<b>11.29</b>	
<b>Automobile Parts &amp; Accessories</b>										
Thal Limited	5,511	-	-	-	(5,500)	11	4	-	-	0%
Panther Tyres Limited	53,500	-	10,700	-	-	64,200	2,681	0.30	0.34	4%
	<b>59,011</b>	<b>-</b>	<b>10,700</b>	<b>-</b>	<b>(5,500)</b>	<b>64,211</b>	<b>2,685</b>	<b>0.30</b>	<b>0.34</b>	
<b>Textile Composite</b>										
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	-	807,000	5,649	0.62	0.71	17%
Gul Ahmed Textile Mills Ltd	318,960	-	-	-	(59,500)	259,460	12,210	1.35	1.54	6%
Kohinoor Textile Mills Limited (Refer 6.1.2)	256,113	58,500	-	-	-	314,613	21,840	2.41	2.76	11%
Nishat (Chunian) Limited	176,000	-	-	-	(150,000)	26,000	1,184	0.13	0.15	1%
Interloop Limited	136,418	-	3,672	-	(76,000)	64,090	4,659	0.51	0.59	1%
The Crescent Textile Mills Limited	-	12,000	-	-	-	12,000	244	0.03	0.03	1%
Nishat Mills Limited (Refer 6.1.1)	202,000	-	200	-	(58,900)	143,300	11,404	1.26	1.44	4%
	<b>1,896,491</b>	<b>70,500</b>	<b>3,872</b>	<b>-</b>	<b>(344,400)</b>	<b>1,626,463</b>	<b>57,190</b>	<b>6.31</b>	<b>7.22</b>	
<b>Technology &amp; Communication</b>										
Netsol Technologies Ltd	-	-	-	-	-	-	-	-	-	0%
Octopus Digital Limited	-	75,299	-	-	(32,000)	43,299	3,367	0.37	0.42	3%
TPL Trackers Limited	355,000	-	-	-	(355,000)	-	-	-	-	0%
Avanceon Limited	22,200	-	-	-	(22,200)	-	-	-	-	0%
Systems Limited	76,505	-	-	-	(11,135)	65,370	49,671	5.48	6.27	5%
	<b>453,705</b>	<b>75,299</b>	<b>-</b>	<b>-</b>	<b>(420,335)</b>	<b>108,669</b>	<b>53,038</b>	<b>5.85</b>	<b>6.69</b>	
<b>Engineering</b>										
Agha Steel Ltd	366,000	-	3,025	-	(369,025)	-	-	-	-	0%
International Steels Limited	25,600	4,000	-	-	(29,600)	-	-	-	-	0%
International Industries Limited	4,600	-	-	-	(4,400)	200	28	-	-	0%
Aisha Steel Mill (Refer 6.1.1)	34,000	16,000	-	-	-	50,000	753	0.08	0.10	1%
Amreli Steels Limited (Refer 6.1.1)	40,000	-	-	-	-	40,000	1,790	0.20	0.23	1%
Mughal Iron & Steel Industries (Refer 6.1.1)	359,600	50,200	57,720	-	(102,600)	364,920	37,992	4.19	4.80	15%
	<b>829,800</b>	<b>70,200</b>	<b>60,745</b>	<b>-</b>	<b>(505,625)</b>	<b>455,120</b>	<b>40,563</b>	<b>4.47</b>	<b>5.13</b>	
<b>Balance brought forward</b>							<b>408,504</b>			
<b>Balance carried forward</b>							<b>408,504</b>			



Name of the investee company	Number of shares						Market value as at December 31, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company held
	As at July 01, 2021	Purchases during the period	Bonus/Right shares received during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at December 31, 2021		Net assets of the Fund	Total market value of investments	
	(Number of Shares)						(Rupees in '000)	(%)		
<b>Power Generation &amp; Distribution</b>										
Lalpir Power Limited	268,000	-	-	-	(36,500)	231,500	3,266	0.36	0.41	6%
Pakgen Power Limited	156,000	-	-	-	(25,000)	131,000	3,144	0.35	0.40	4%
K-Electric Limited	-	-	-	-	-	-	-	-	-	0%
Saif Power Limited	130,000	-	-	-	(130,000)	-	-	-	-	0%
The Hub Power Company Limited	664,415	-	-	-	(500,000)	164,415	11,729	1.29	1.48	1%
	<b>1,218,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(691,500)</b>	<b>526,915</b>	<b>18,139</b>	<b>2.00</b>	<b>2.29</b>	
<b>Commercial Banks</b>										
Allied Bank Limited (Refer 6.1.1)	57,800	-	-	-	-	57,800	4,755	0.52	0.60	1%
Bank Al-falah Limited (Refer 6.1.1)	887,927	88,000	-	-	(414,126)	561,801	19,438	2.14	2.45	3%
Bank Al-Habib Limited (Refer 6.1.1)	484,400	50,000	-	-	(200,000)	334,400	23,077	2.54	2.91	3%
Bank of Punjab	112,500	-	-	-	(110,000)	2,500	21	-	-	0%
Faysal Bank Limited (Refer 6.1.2)	197,327	258,000	-	-	(200,000)	255,327	5,873	0.65	0.74	2%
Habib Bank Limited (Refer 6.1.1)	453,380	-	-	-	(232,000)	221,380	25,817	2.85	3.26	2%
MCB Bank Limited (Refer 6.1.1)	82,500	-	-	-	(60,000)	22,500	3,450	0.38	0.44	0%
Meezan Bank Limited	40,172	-	6,022	-	(46,000)	194	26	-	-	0%
National Bank of Pakistan	-	-	-	-	-	-	-	-	-	0%
United Bank Limited (Refer 6.1.1)	261,391	40,000	-	-	(120,000)	181,391	24,774	2.73	3.13	1%
	<b>2,577,397</b>	<b>436,000</b>	<b>6,022</b>	<b>-</b>	<b>(1,382,126)</b>	<b>1,637,293</b>	<b>107,231</b>	<b>11.81</b>	<b>13.53</b>	
<b>Insurance</b>										
Adamjee Insurance Co. Ltd	122,000	-	-	-	(122,000)	-	-	-	-	0%
	<b>122,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(122,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Glass and Ceramics</b>										
Tariq Glass Industries Limited	177,125	-	-	-	(23,200)	153,925	16,704	1.84	2.11	21%
Shabbir Tiles & Ceramics Ltd	582,000	134,000	-	-	(5,000)	711,000	16,595	1.83	2.09	22%
	<b>759,125</b>	<b>134,000</b>	<b>-</b>	<b>-</b>	<b>(28,200)</b>	<b>864,925</b>	<b>33,299</b>	<b>3.67</b>	<b>4.20</b>	
<b>Paper &amp; Board</b>										
Century Paper & Board Mills Ltd Packages Limited	75,980	-	9,027	-	(85,007)	-	-	-	-	0%
Roshan Packages Limited	8,900	-	-	-	(5,800)	3,100	1,542	0.17	0.19	0%
	68,000	-	-	-	-	68,000	1,332	0.15	0.17	5%
	<b>152,880</b>	<b>-</b>	<b>9,027</b>	<b>-</b>	<b>(90,807)</b>	<b>71,100</b>	<b>2,874</b>	<b>0.32</b>	<b>0.36</b>	
<b>Food and Personal Care Products</b>										
Shezan International Limited	-	6,300	630	-	-	6,930	1,536	0.17	0.19	7%
Unity Foods Limited	24,500	-	-	-	(24,500)	-	-	-	-	0%
	<b>24,500</b>	<b>6,300</b>	<b>630</b>	<b>-</b>	<b>(24,500)</b>	<b>6,930</b>	<b>1,536</b>	<b>0.17</b>	<b>0.19</b>	
<b>Automobile Assembler</b>										
Honda Atlas Cars (Pakistan) Ltd	7,800	3,500	-	-	(7,100)	4,200	994	0.11	0.13	0%
Indus Motor Company Limited	1,220	-	-	-	(1,220)	-	-	-	-	0%
Pak Suzuki Motor Company Limited	-	3,500	-	-	(3,500)	-	-	-	-	0%
Millat Tractors Ltd	15,638	-	3,127	-	(660)	18,105	15,611	1.72	1.97	4%
	<b>24,658</b>	<b>7,000</b>	<b>3,127</b>	<b>-</b>	<b>(12,480)</b>	<b>22,305</b>	<b>16,605</b>	<b>1.83</b>	<b>2.10</b>	
<b>Pharma And Biotech</b>										
AGP Limited	97,400	4,500	-	-	(65,400)	36,500	3,540	0.39	0.45	1%
Highnoon Laboratories Limited	11,220	-	-	-	(1,000)	10,220	6,417	0.71	0.81	0%
Abot Laboratories	5,500	-	-	-	(1,000)	4,500	3,229	0.36	0.41	0%
GlaxoSmithKline Consumer Healthcare	3,500	-	-	-	(3,500)	-	-	-	-	0%
IBL Healthcare Limited	62,000	-	8,760	-	(24,300)	46,460	3,257	0.36	0.41	7%
Citi Pharma Limited	-	237,725	20,372	-	(193,000)	65,097	2,328	0.26	0.29	2%
The Searle Company Limited	50,170	6,300	14,331	-	(47,118)	23,683	3,404	0.38	0.43	1%
	<b>229,790</b>	<b>248,525</b>	<b>43,463</b>	<b>-</b>	<b>(335,318)</b>	<b>186,460</b>	<b>22,175</b>	<b>2.46</b>	<b>2.80</b>	
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	283,500	30,000	-	-	(134,500)	179,000	4,031	0.44	0.51	4%
	<b>283,500</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>(134,500)</b>	<b>179,000</b>	<b>4,031</b>	<b>0.44</b>	<b>0.51</b>	
<b>Transport</b>										
Pakistan International Bulk Terminal	78,500	100,000	-	-	-	178,500	1,314	0.14	0.17	1%
	<b>78,500</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,500</b>	<b>1,314</b>	<b>0.14</b>	<b>0.17</b>	
<b>Leather &amp; Tanneries</b>										
Service Global Footwear Limited	70,690	-	-	-	-	70,690	3,277	0.36	0.41	3%
Service Industries Limited	18,400	-	-	-	-	18,400	8,621	0.95	1.09	4%
	<b>89,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,090</b>	<b>11,898</b>	<b>1.31</b>	<b>1.50</b>	
<b>Miscellaneous</b>										
Pakistan Aluminium Beverage Cans Limited	-	159,146	-	-	(159,146)	-	-	-	-	0%
	<b>-</b>	<b>159,146</b>	<b>-</b>	<b>-</b>	<b>(159,146)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total - December 31, 2021</b>							<b>627,609</b>	<b>69.20</b>	<b>79.21</b>	
<b>Carrying value at at December 31, 2021</b>							<b>649,958</b>			



- 6.1.1** Investments include shares with market value of Rs. 105.88 million (June 30, 2021: Rs. 45.65 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

<b>Name of Investee Company</b>	<b>Shares pledged</b>	<b>Market value (Rs. in '000)</b>
Allied bank Limited	25,000	2,057
Attock Cement Pakistan Limited	10,000	1,390
Aisha Steels Limited	25,000	377
Amreli Steels Limited	10,000	448
Bank Al-Falah Limited	100,000	3,460
Bank Al-habib Limited	190,000	13,112
Engro Polymer & Chemicals Limited	50,000	2,711
Fauji Cement Company Limited	100,000	1,837
Fauji fertilizer Bin Qasim Limited	10,000	248
Fauji Fertilizers Company Limited	25,000	2,507
Habib Bank Limited	20,000	2,332
Lucky Cement Limited	34,000	23,096
MCB Bank Limited	10,000	1,534
Mughal Iron & Steel Limited	100,000	10,411
Nishat Mills Limited	50,000	3,979
Oil & Gas Development Company Limited	144,000	12,413
Pakistan Petroleum Limited	179,500	14,188
Pakistan State Oil Company Limited	35,000	6,366
United Bank Limited	25,000	3,415
	<b>1,142,500</b>	<b>105,881</b>

- 6.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, 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 the other asset management companies and the Mutual Funds Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment scheme 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 Honourable Sindh High Court has granted stay order till the final outcome of the case.

During the year ended June 30, 2018, the Honorable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued/entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year 2019. On July 11, 2019, the CISs have filed a fresh constitutional petition vide CP 4653.

In this regard, on July 15, 2019, the Honorable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the



company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the prior period were not withheld by the investee companies.

As at December 31, 2021, the bonus shares amounting to Rs. 1.16 million ( June 30, 2021: Rs. 1.076 million) of the Fund have been withheld by the companies at the time of declaration of bonus shares. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Name of the company	December 31, 2021 (Un-audited)		June 30, 2021 (Audited)	
	Bonus Shares		Bonus Shares	
	Number	Market value	Number	Market value
	Rs in 000		Rs in 000	
Pakistan State Oil Limited	1,142	208	1,142	256
Hascol Petroleum Limited	777	5	777	7
Faysal Bank Limited	27,327	629	27,327	464
Kohinoor Textile Mills Limited	4,639	322	4,639	349
	<b>33,885</b>	<b>1,164</b>	<b>33,885</b>	<b>1,076</b>

## 6.2 Term finance certificates - listed

All term finance certificates have a face value of Rs 5,000.

Name of the investee company	Number of certificates			As at December 31, 2021	Market value As at December 31, 2021	Market value as a percentage of net assets ----- (%) -----	Market value as a percentage of total investments ----- (%) -----
	As at July 01, 2021	Purchases during the period	Disposals during the period				
	Saudi Pak Leasing Company Limited (note 6.2.1)	10,000	-				

**6.2.1** This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since it was rescheduled and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non Performing Asset (NPA) since April 30, 2014. The amount of provision of Rs. 27.547 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

## 6.3 Term finance certificates - unlisted - at fair value through profit or loss (FVTPL)

All term finance certificates have a face value of Rs 5,000.

Name of the investee company	Number of certificates			As at December 31, 2021	Market value As at December 31, 2021	Market value as a percentage of net assets ----- (%) -----	Market value as a percentage of total investments ----- (%) -----
	As at July 01, 2021	Purchases during the period	Disposals during the period				
	Jahangir Siddiqui and Company Limited	17,000	-				
	<b>17,000</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>39,168</b>	<b>4.32</b>	<b>4.94</b>
Carrying value before fair value adjustment as at December 31, 2021					<b>38,631</b>		



**6.3.1** The term finance certificates held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

**6.3.2** Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

	Number of certificates	Repayment frequency	Face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Secured / Unsecured	Rating
<b>Listed term finance certificates</b>								
Saudi Pak Leasing Company Limited	10,000	Monthly	2,755	6.87% Fixed rate	March 13, 2008	March 13, 2017	Unsecured	Unrated
<b>Unlisted term finance certificates</b>								
Jahangir Siddiqui and Company Limited	17,100	Semi Annually	2,500	6 Month KIBOR offer rate plus 1.40%	July 18, 2017	July 18, 2022	Secured	AA+

**6.4 Treasury Bills- at fair value through profit or loss (FVTPL)**

Issue date	Tenor	As at July 01, 2021	Purchased during the period/year	Disposed/matured during the period/year	As at December 31, 2021
(Rupees in '000)					
May 20, 2021	3 Months	-	330,000	(330,000)	-
June 03, 2021	3 Months	-	45,000	(45,000)	-
April 22, 2021	6 Months	-	300,000	(300,000)	-
July 02, 2021	3 Months	-	355,000	(355,000)	-
March 25, 2021	6 Months	-	15,000	(15,000)	-
October 21, 2021	3 Months	-	300,000	(300,000)	-
<b>Total as at December 31, 2021</b>		-	<b>1,345,000</b>	<b>(1,345,000)</b>	-

**6.5 Sukuk bonds - unlisted - at fair value through profit or loss (FVTPL)**

All sukuks have a face value of Rs. 5,000.

Name of the investee company	Number of certificates				Market value As at December 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2021	Purchases during the period	Disposals during the period	As at December 31, 2021			
New Allied Electronics Industries (Private) Limited (note 6.5.1)	32,000	-	-	32,000	-	-	-
Eden Housing Limited (note 6.5.2)	10,000	-	-	10,000	-	-	-
Mughal Iron & Steel Industries	50	-	-	50	51,006	5.62	6.44
The Hub Power Company Limited	500	-	-	500	51,807	5.71	6.54
Shakarganj Foods Limited	30	-	-	30	22,733	2.51	2.87
<b>Total as at December 31, 2021</b>	<b>42,580</b>	-	-	<b>42,580</b>	<b>125,546</b>	<b>13.84</b>	<b>15.85</b>

Carrying value before fair value adjustment as at December 31, 2021

123,195

**6.5.1** This represents investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 09, 2009. The amount of provision of Rs. 10 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.



- 6.5.2** This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision of Rs. 9.844 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.
- 6.5.3** The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.
- 6.5.4 Significant terms and conditions of sukuks outstanding at the period end are as follows:**

Secured	Number of certificates	Repayment frequency	Face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Unlisted sukuk</b>							
New Allied Electronics Industries (Private) Limited	32,000	Quarterly	313	3 Month KIBOR offer rate plus 2.6%	July 27, 2007	July 25, 2016	Unrated
Eden Housing Limited	10,000	Quarterly	984	3 Month KIBOR offer rate plus 3%	March 31, 2008	September 29, 2016	Unrated
Mughal Iron & Steel Industries	50	Quarterly	100,000	3 Month KIBOR offer rate plus 1.3%	March 02, 2021	March 02, 2026	A+
The Hub Power Company Limited	500	Quarterly	100,000	3 Month KIBOR offer rate plus 1.9%	August 22, 2019	August 22, 2023	AA+
Shakarganj Foods Limited	30	Quarterly	750,000	3 Month KIBOR offer rate plus 1.75%	July 10, 2018	July 10, 2024	BBB+

6.6 Unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss' - net	Note	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		(Rupees in '000)	
Market value of investments		792,323	904,102
Less: Carrying value of investments		(859,176)	(803,342)
		(66,853)	100,760
Add: Provision against non-performing TFCs and sukuks	6.6.1	47,391	47,391
		(19,462)	148,151

- 6.6.1** This amount pertains to provision made against the carrying value of non performing term finance certificates and sukuks as per circular no. 1 of 2009 and circular no. 33 of 2012. The breakup of amount is as follows:

Name of Company	Carrying value (Rupees in '000)
Saudi Pak Leasing Company Limited - Term Finance Certificates	27,547
New Allied Electronics Limited - Sukuks	10,000
Eden House Limited - Sukuks	9,844
	<b>47,391</b>

7 DIVIDEND AND PROFIT RECEIVABLE	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
Profit receivable on savings accounts	7.1	654	277
Dividend receivable on equity shares		-	152
Accrued markup on term finance certificates and sukuks		3,186	3,008
		<b>3,840</b>	<b>3,436</b>

- 7.1** This includes an amount of Rs 0.0065 million (June 30, 2021: Rs 0.0054 million) as profit receivable from Bank Islami Pakistan Limited (related party).



		(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>8</b>	<b>ADVANCE, DEPOSITS AND PREPAYMENTS</b>		
		(Rupees in '000)	
	Advance tax	882	882
	Security deposits with:		
	- Central Depository Company of Pakistan Limited	100	100
	- National Clearing Company of Pakistan Limited	2,750	2,750
	Prepaid Mutual Fund Rating fees	-	133
	Advance against IPO/bookbuilding	-	9,237
	Prepaid listing fees	14	-
		<u>3,746</u>	<u>13,102</u>
<b>9</b>	<b>PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Management remuneration	9.1 1,218	2,026
	Sindh sales tax on management remuneration	158	263
	Reimbursement of allocated expenses	9.2 689	600
	Sales and transfer load	573	197
	Sindh sales tax on sales load	75	26
	Reimbursement of marketing and selling expense	9.3 6,199	7,006
		<u>8,912</u>	<u>10,118</u>

**9.1** The Management Company has charged its remuneration at the rate of 1.5% of the average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

**9.2** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, such expense has been charged at the rate of 0.15% of average annual net assets of the fund till July 25, 2021 and thereafter at the rate of 0.2% of average annual net assets of the fund.

**9.3** The Management Company based on its own discretion has charged selling and marketing expenses at the below mentioned rates duly approved by the Board of Directors of the Management Company:

Effective dates	Applicable rates
From December 17, 2019 till May 10, 2020	1.35% per annum of average daily net assets
From May 11, 2020 till January 25, 2021	1.5% per annum of average daily net assets
From January 26, 2021 till August 22, 2021	1.75% per annum of average daily net assets
From August 23, 2021 till December 31, 2021	1.8% per annum of average daily net assets

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
<b>10</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
		(Rupees in '000)	
	Trustee remuneration	10.1 160	220
	Sindh Sales Tax on trustee remuneration	21	28
		<u>181</u>	<u>248</u>



- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provision of the trust deed as follows:

<b>Net assets</b>	<b>Tariff per annum</b>
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.

	<b>December 31, 2021</b>	<b>June 30, 2021</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>(Rupees in '000)</b>
Annual fee payable	11.1	<u>150</u> <u>312</u>

- 11.1 Under the provisions of the NBFC Regulations, a collective investment scheme categorized as a balanced scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan, an amount equal to 0.085 percent of the average annual net assets of the Fund till June 30, 2019 and with effective from July 01, 2019. SECP has revised its fee rate to 0.02 percent per annum of the average net assets of the Fund. The fee is paid annually in arrears.

	<b>December 31, 2021</b>	<b>June 30, 2021</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>(Rupees in '000)</b>
Provision for Sindh Workers' Welfare Fund	12.1	-      19,666
Federal Excise Duty on management remuneration	12.2	<b>11,587</b> 11,587
Federal Excise Duty on sales load		<b>818</b> 818
Auditors' remuneration		<b>362</b> 591
Settlement charges		<b>298</b> 291
Dividend payable		<b>493</b> 493
Legal and professional charges		<b>68</b> 140
Withholding tax		<b>67</b> 1,824
Other payable		<b>189</b> 209
CGT payable		<b>30</b> 61
		<u><b>13,912</b></u> <u>35,680</u>

- 12.1 During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Balanced Fund amounting to Rs. 19.93 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Balanced Fund by 1.24% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

- 12.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in



double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on September 04, 2013.

The Honorable Sindh High Court (SHC) through its recent order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from July 01, 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated July 16, 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

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. 11.942 million out of which Rs. 0.355 million have been paid to the Management Company (June 30, 2021: Rs. 11.942 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.2490 (June 30, 2021: Rs. 0.1395) per unit.

## **13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

## **14 TAXATION**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, 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 June 30, 2022 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial information.

## **15 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY**

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 06, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Fund'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non - compliant either with the minimum investment criteria specified for the category assigned to such funds or with investment requirements of their constitutive documents.



The following are the details of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Value as a percentage of net assets	Value as a percentage of gross assets
				----- (Rupees in '000) -----			
						----- (%) -----	
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	9,844	(9,844)	-	-	-
Shakarganj Foods Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	22,733	-	22,733	2.51	2.44

**15.1** At the time of purchase, these term finance certificates and sukuks bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade.

## **16 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 4.14% (December 31, 2020: 4.24%) per annum. Total expense ratio (excluding government levies) is 3.90% (December 31, 2020: 3.48%) per annum.

## **17 NET ASSET VALUE PER UNIT**

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

## **18 EARNINGS / (LOSS) PER UNIT**

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## **19 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTY**

**19.1** Connected persons include NBP Fund Management Limited (NBP Funds) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and



Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding 10 percent or more units of the Fund.

- 19.2 The transactions with connected persons are in the normal course of business, at contracted / agreed rates.
- 19.3 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.
- 19.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust of Deed.
- 19.5 **Details of transactions with related parties / connected persons during the period are as follows:**

	<b>(Un-audited)</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	<b>(Rupees in '000)</b>	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of NBP Fund Management Limited - Management Company	11,259	11,484
Sindh Sales Tax on remuneration of the Management Company	1,464	1,493
Reimbursement of allocated expenses	1,446	905
Sales Load	424	295
Reimbursement of selling and marketing expense	13,393	11,484
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,247	1,270
Sindh Sales Tax on remuneration of Trustee	162	165
CDS charges	17	61
<b>Employees of Management Company</b>		
Units redeemed / transferred out: 319 units (December 31, 2020: 41,773 units)	6	771
Units issued : 7 units (December 31, 2020: 46,157 units)	-	848
<b>Portfolio managed by Management Company</b>		
Units issued : Nil (December 31, 2020: Nil)	-	-
Units redeemed : Nil (December 31, 2020: Nil)	-	-
Sold T-Bills	-	73,464
<b>Gul Ahmed Textile Mills Limited - Common Directorship</b>		
Shares sold: 59,500 shares (December 31, 2020: 242,500)	2,553	8,388
<b>Fauji Fertilizer Company Limited - Common Directorship</b>		
Purchase of 45,500 shares (December 31, 2020: 14,000 shares)	4,768	1,636
Sold 189,500 shares (December 31, 2020: 122,900 shares)	18,624	13,434
Dividend Income	2,431	1,738
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage charges	161	46
<b>National Clearing Company of Pakistan Limited - Common Directorship</b>		
NCCPL charges	107	108



	(Un-audited)	
	December 31, 2021	December 31, 2020
	(Rupees in '000)	
<b>National Bank of Pakistan - Parent Company</b>		
Sales of shares: Nil (December 31, 2020: 22,000 shares)	-	756
<b>International Steels Limited - Common Directorship</b>		
Purchase of 4,000 shares (December 31, 2020: Nil)	407	-
Sold 29,600 shares (December 31, 2020: 98,100 shares)	2,003	6,802
Dividend income	207	-
	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b>		
Management remuneration	1,218	2,026
Sindh Sales Tax	158	263
Reimbursement of allocated expenses	689	600
Sales load and sales tax payable	649	223
Reimbursement of selling and marketing expense	6,198	7,005
<b>Employees of the Management Company</b>		
Units held: 20,497 units (June 30, 2021: 22,540 units)	399	436
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	160	220
Sindh Sales Tax on remuneration of the Trustee	21	28
Settlement charges payable	169	155
Security deposit	100	100
<b>National Bank of Pakistan (Parent of Management company)</b>		
Bank Balance in current account	1,020	920
Shares held : Nil (June 30, 2021: Nil)	-	-
<b>NBP Employees Pension Fund - Provident Fund of Parent Company</b>		
Units held: 28,886,715 units (June 30, 2021: 28,886,715 units)	562,898	559,232
<b>Karachi Electric Provident Fund - 10% or more holding</b>		
Units held: Nil units (June 30, 2021: 34,224,720 units)	-	662,573
<b>Ronak Iqbal Lakhani - 10% or more holding</b>		
Units held: 8,683,522 ( June 30, 2021: 8,683,522 units)	169,211	168,109
<b>Bank Islami Pakistan Limited - Common Directorship</b>		
Bank balance	214	167
Profit receivable	7	-
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage payable	158	-
<b>Gul Ahmed Textile Mills Limited - Common Directorship</b>		
Shares held: 259,460 shares (June 30, 2021: 318,960 shares)	12,210	16,181



	(Un-audited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
<b>International Steel Limited - Common Directorship</b>		
Shares held: Nil shares (June 30, 2021: 25,600 shares)	-	2,391
<b>National Clearing Company of Pakistan Limited - Common Directorship</b>		
NCCPL charges payable	27	86
Security deposit	2,750	2,750
<b>Fauji Fertilizer Company Limited - Common Directorship</b>		
Shares held: 328,000 shares (June 30, 2021: 347,601 shares)	35,588	36,880
<b>*Hub Power Company Limited - Common Directorship</b>		
Shares held: nil (June 30, 2021: 664,615 shares)	-	52,934

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

## 20 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

### 20.1 Fair value hierarchy

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 ; and
- Level 3: unobservable inputs for the asset or liability.



As at December 31, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2021			Total
	Level 1	Level 2	Level 3	
	(Unaudited)			
	(Rupees in '000)			
<b>ASSETS</b>				
Investments - financial assets' at fair value				
- Equity securities - listed	627,609	-	-	627,609
- Term finance certificates - unlisted	-	39,168	-	39,168
- Sukuk bonds	-	125,546	-	125,546
	<b>627,609</b>	<b>164,714</b>	-	<b>792,323</b>
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Audited)			
	(Rupees in '000)			
<b>ASSETS</b>				
Investments - financial assets' at fair value				
- Equity securities - listed	1,066,890	-	-	1,066,890
- Term finance certificates - unlisted	-	40,769	-	40,769
- Sukuk bonds	-	126,195	-	126,195
	<b>1,066,890</b>	<b>166,964</b>	-	<b>1,233,854</b>

## 21 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

## 22 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and to reflect the substance of the transactions.

## 23 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on February 23, 2022.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Head Office

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