NBP FUNDS
Managing Your Savings

Islamic Savings

Aitemaad اعتماد

اسلامک سیونگز

AM1
Rated by PACRA

NBP ISLAMIC REGULAR INCOME FUND

QUARTERLY REPORT
SEPTEMBER 30, 2019

MISSION STATEMENT

To rank in the top quartile

in performance of

NBP FUNDS

relative to the competition,

and to consistently offer

Superior risk-adjusted returns to investors.

Contents

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. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	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
Syed Hasan Irtiza Kazmi	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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

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

Auditors

KPMG Taseer Hadi & Co.
Sheikh Sultan Trust Buildings,
Ground No. 2 Shaheed Chaudary Aslam Rd,
Civil Lines, Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the condensed unaudited financial statements of **NBP Islamic Regular Income Fund (Formerly: NBP Aitemaad Regular Payment Fund) (NIRIF)** for the quarter ended September 30, 2019.

Fund's Performance

The size of NBP Islamic Regular Income Fund (Formerly: NBP Aitemaad Regular Payment Fund) has decreased from Rs. 107 million to Rs. 105 million during the period, i.e. a decrease of 2%. During the period, the unit price of NBP Islamic Regular Income Fund has decreased from Rs. 8.2777 on June 30, 2019 to Rs. 8.1755 on September 30, 2019, thus showing a decrease of 1.2%. The Benchmark for the same period decreased by 3.6%. Thus, the Fund has outperformed its Benchmark by 2.4% during the period under review. Since inception, the unit price of NBP Islamic Regular Income Fund has decreased from Rs. 10.0000 on October 31, 2018 to Rs. 8.1755 on September 30, 2019, thus showing a decrease of 18.2%. The Benchmark for the same period decreased by 22.1%. Thus, the Fund has outperformed its Benchmark by 3.9% during the period under review. This performance is net of management fee and all other expenses.

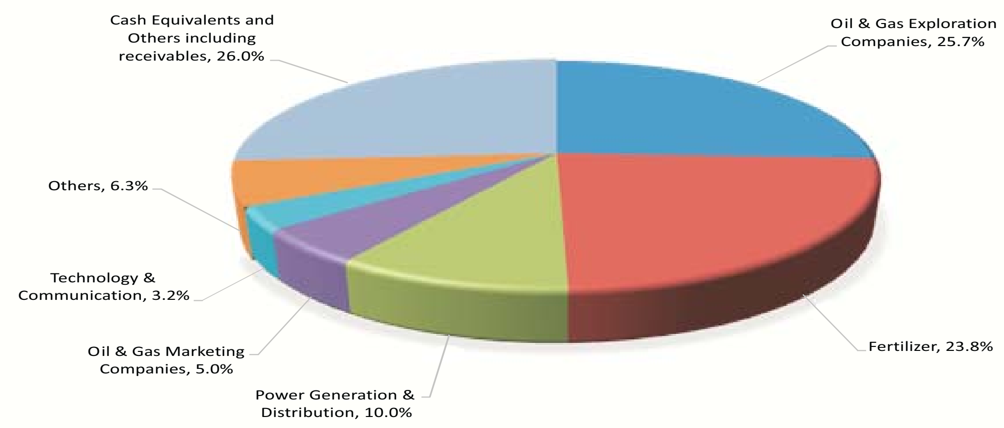
The Stock market started 1QFY2020 on a faltering note and the KMI-30 Index fell sharply to a multi-year low level of 44,929 points by mid-August. The sell-off was witnessed at the local bourse despite positive developments on the external account front, as the IMF accorded approval to USD 6 billion Extended Fund Facility (EFF) along with the immediate release of USD 1 billion. In addition to this, first tranche of USD 500 million was received from Qatar under the USD 3 billion package, and monthly oil facility from Saudi Arabia of USD 275 million was also commenced in July 2019. Drag on the performance of the market was pervasive negative mainly stemming from concerns over slowdown in economic activity amid increasing cost of doing business, rising cost of capital, tapering off consumer demand, and cut in public sector spending. Onerous taxation measures announced in the Federal Budget FY2020 and drive for the documentation of economy with its short-term negative implications for the corporate profitability also had impact on investors' sentiments. Deteriorating relationship between the nuclear-armed India-Pakistan after the repeal of article 370 and imposition of curfew/lockdown in Indian occupied Kashmir also sent jitters in the market.

However, the market staged a strong recovery of 14% after bottoming out in mid-August as improving macroeconomic indicators come to fore notably, a significant improvement in Current Account Deficit that dropped by 55% in 2MFY2020 to USD 1.29 billion. Concerns on spiraling inflation started to wane as inflation trajectory appears relatively soft after rebasing of the index. Investors also drew comfort from falling yields on longer tenure government securities, a precursor to reversal of monetary tightening cycle that buoyed the market sentiment. Overall, the benchmark KMI-30 Index finished the quarter under review with a decline of 5.5%. Looking at participant-wise activity during the period, foreign investors remained net buyers with net inflows amounting to USD 23 million. On the local front, Mutual Funds sold equities worth USD 82 million, while individual investors added positions to the tune of USD 49 million.

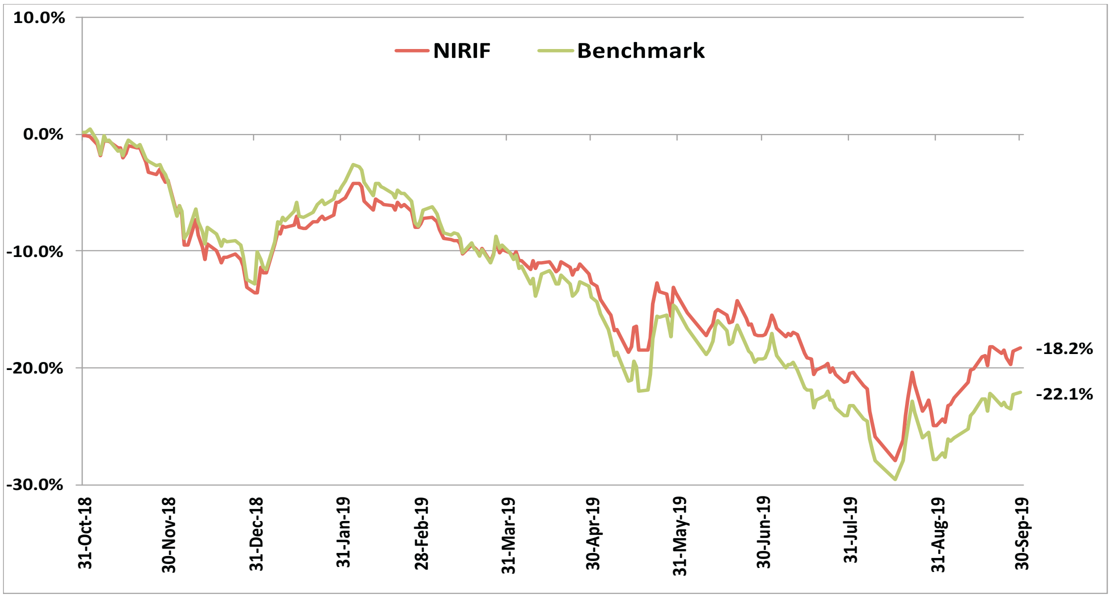
During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps from 12.25% to 13.25%. In the second monetary policy review on September 16th, the SBP decided to keep the policy rate unchanged. The SBP cited favorable adjustments in the Current Account Deficit (CAD) mainly driven by 11% growth in exports and 25.8% contraction in imports while maintaining its inflation expectation. As expected, inflation kept rising and year-on-year CPI inflation spiked to 11.4% in September 2019 compared with 5.1% in September 2018. In line with the hike in the Policy Rate, 3-month, 6-month, and 12-month KIBOR went up by 88 bps, 79 bps, and 42 bps, respectively. The primary market for Corporate Sukuks remained under-supplied against the large and growing demand. In the secondary market, the trading activity in the Corporate Sukuks remained skewed towards high quality debt issues with cumulative traded value of around Rs. 2.5 billion in 1QFY20 compared to Rs. 2.9 billion during same period last year.

NBP Islamic Regular Income Fund has incurred a loss of Rs. 0.703 million during the period. After incurring total expenses of Rs. 0.612 million, the net loss is Rs. 1.315 million.

The asset allocation of the Fund as on September 30, 2019 is as follows:



NIRIF Performance versus Benchmark (Since Inception)



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive | Director

Date: October 24, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک ریگولر انکم فنڈ (سابقہ: NBP اعتماد ریگولر پیمنٹ فنڈ) (NIRIF) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک ریگولر انکم فنڈ (سابقہ: NBP اعتماد ریگولر پیمنٹ فنڈ) کا سائز 107 ملین روپے سے کم ہوکر 105 ملین روپے ہوگیا ہے یعنی 2% کی کمی۔ زیرِ جائزہ مدت کے دوران، NBP اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 8.2777 روپے سے کم ہوکر 30 ستمبر 2019 کو 8.1755 روپے ہوگئی، لہٰذا 1.2% کی کمی دکھائی۔ فنڈ کا بنچ مارک اسی مدت میں 3.6% کم ہوا۔ لہٰذا فنڈ نے زیرِ جائزہ مدت کے دوران اپنے بنچ مارک میں 2.4% بہتر کارکردگی دکھائی۔ 31 اکتوبر 2018 کو اپنے قیام کے وقت سے NBP اعتماد اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 10.00 روپے سے کم ہوکر 30 ستمبر 2019 کو 8.1755 روپے ہوچکی ہے لہٰذا 18.2% کی کمی ہوئی۔ فنڈ کا بنچ مارک اسی مدت میں 22.1% کم ہوا۔ لہٰذا فنڈ نے زیرِ جائزہ مدت کے دوران اپنے بنچ مارک سے 3.9% بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

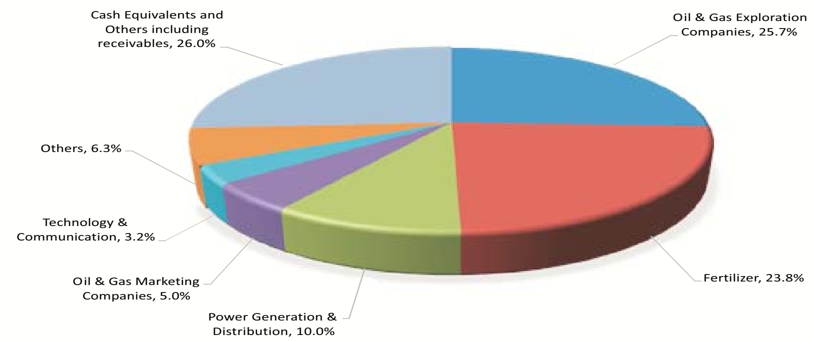
مالی سال 2020ء کی پہلی سہ ماہی میں اسٹاک مارکیٹ کا آغاز مندی سے ہوا اور KMI-30 انڈیکس وسط اگست تک تیزی سے کمی کے بعد 44,929 پوائنٹس کی کثیر سالہ کم ترین سطح پر پہنچ گیا۔ بیرونی کھاتوں کی مد میں مثبت پیش رفت کے باوجود مقامی مارکیٹ میں فروخت کا رجحان رہا۔ جیسا کہ IMF نے 6 بلین امریکی ڈالر کی توسیعی فنڈ فیسلٹی (EFF) کے ساتھ فوری طور پر 1 بلین امریکی ڈالر جاری کرنے کی منظوری دے دی۔ اس کے علاوہ، 3 بلین امریکی ڈالر منصوبہ کے تحت قطر سے 500 ملین امریکی ڈالر کی وصولی اور سعودی عرب سے 275 ملین امریکی ڈالر کی مالیت کے تیل کی ماہانہ فراہمی کا آغاز جولائی 2019ء میں ہوگیا۔ کاروبار کرنے کی لاگت میں اضافہ، سرمایہ کی بڑھتی قیمت، صارفین کی طلب میں کمی اور سرکاری شعبہ کے اخراجات میں کٹوتی جیسی سست رو معاشی سرگرمیوں نے مارکیٹ کی کارکردگی پر منفی اثر ڈالا۔ مالیاتی سال 2020ء کے لئے وفاقی بجٹ میں زبردست ٹیکس اصلاحات کا نفاذ اور دستاویزی معیشت کو اس کے قلیل مدتی منفی مضمرات کے ساتھ شکل دینے کے اقدام کی وجہ سے سرمایہ داروں کے جذبات پر بُرا اثر پڑا۔ آرٹیکل 370 کے خاتمہ کے بعد دوایٹمی ممالک انڈیا پاکستان کے درمیان تناؤ اور بھارتی مقبوضہ کشمیر میں کرفیو/ لاک ڈاؤن کے اطلاق کے باعث مارکیٹ شدید دباؤ کا شکار رہی۔

تاہم، وسط اگست میں اقتصادی اشارہ میں بہتری خاص طور پر مالی سال 2020 کے دوسرے ماہ میں کرنٹ اکاؤنٹ خسارہ میں 55 فی صد کمی واقع ہوئی اور یہ خسارہ 1.29 بلین امریکی ڈالر ہوگیا جسکی بدولت مارکیٹ نے اپنے انحطاطی نقطہ سے 14 فیصد کی مظبوط بحالی کا مظاہرہ کیا۔ انڈیکس میں تبدیلی کے بعد بڑھتے ہوئے افراط زر میں کچھ کمی واقع ہوئی جبکہ افراط زر میں اضافہ کے خدشات چھائے رہے۔ طویل مدتی حکومتی سیکیورٹیز میں منافع کے اضافہ کی وجہ سے سرمایہ داروں کو کچھ اطمینان ہوا۔ یہ سیکیورٹیز معاشی استحکام کے لئے متعارف کرائی گئیں جس کی وجہ سے مارکیٹ میں تحریک پیدا ہوئی۔ مجموعی طور پر KMI-30 انڈیکس نے زیر جائزہ سہ ماہی کے دوران 5.5 فی صد کی کمی کے ساتھ اختتام پذیر ہوا۔ زیر جائزہ مدت کے دوران انفرادی سرگرمی کو دیکھتے ہوئے غیر ملکی سرمایہ دار 23 ملین ڈالر مالیت کے ان فلوز کے ساتھ نمایاں خریدار رہے۔ مقامی سطح پر میوچل فنڈ نے 82 ملین ڈالر کی ایکوئیٹیز فروخت کیں جب کہ انفرادی سرمایہ داروں نے 49 ملین ڈالر کی سرمایہ داری کی۔

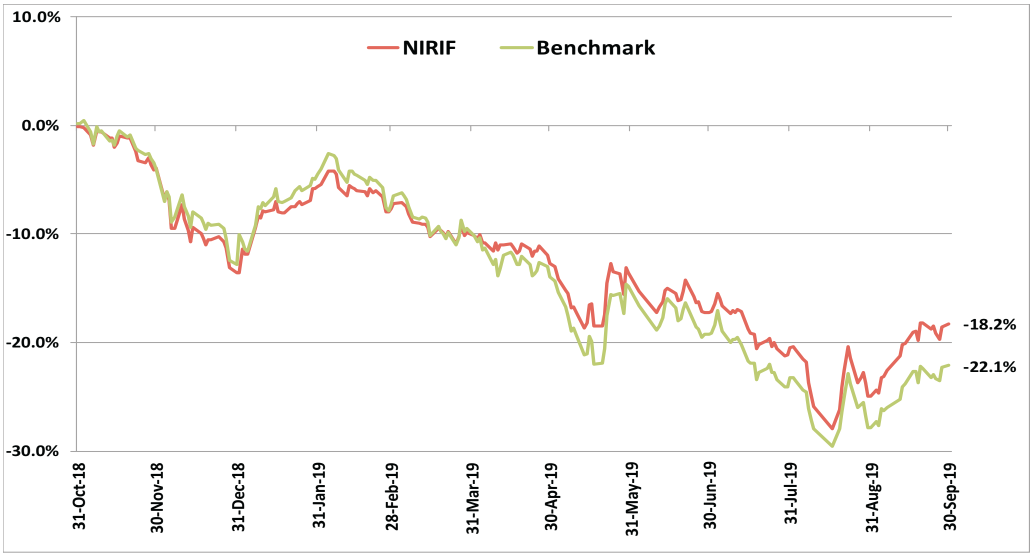
مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کردی۔ 16 ستمبر کو دوسرے مانیٹری پالیسی جائزہ میں SBP نے پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ SBP نے کرنٹ اکاؤنٹ خسارہ (CAD) میں واضح تبدیلی دیکھی جو برآمدات میں 11 فی صد نمو اور درآمدات میں 25.8 فی صد کمی کے مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی بنیاد پر CPI افراط زر میں ستمبر 2018ء میں 5.1 فی صد کے مقابلہ میں ستمبر 2019ء کے دوران 11.4 فی صد اضافہ ہوا۔ روپے کی قدر میں کمی، تیل کی بین الاقوامی قیمتوں میں عدم استحکام، مسلسل حکومتی قرضوں کا حصول اور یوٹیلٹی نرخوں میں اضافہ کے اثرات کی وجہ سے افراط زر میں مزید اضافہ کی توقع ہے۔ پالیسی شرح میں اضافہ کے تحت سہ ماہی، ششماہی اور سالانہ ٹی بلز پر پیداوار میں بالترتیب 88، 79 اور 42 بی پی ایس کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران کارپوریٹ ڈیبٹ سیکیورٹیز میں تجارتی سرگرمی ناقص رہی جس کے تحت مالیاتی سال 2019ء کے پہلی سہ ماہی میں 2.9 بلین روپے کے مقابلہ میں رواں سہ ماہی کے دوران مجموعی تجارت تقریباً 2.5 بلین رہی۔ بنیادی مارکیٹس میں ڈیٹ سیکیورٹیز کے اجرا میں تیزی دیکھی گئی کیونکہ کمپنیوں نے ورکنگ کیپٹل اور طویل مدتی قرضوں کے لئے کیپٹل مارکیٹ سے رجوع کیا۔

NBP اعتماد ریگولر پیمنٹ فنڈ نے موجودہ مدت کے دوران 0.703 ملین روپے کا مجموعی خسارہ ہوا۔ 0.612 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 1.315 ملین روپے ہے۔

فنڈ کی ایسٹ ایلوکیشن 30 ستمبر 2019 کو بمطابق ذیل ہے:



NIRIF کی کارکردگی بمقابلہ بنچ مارک (اپنے قیام سے)



اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے ہوئے مینجمنٹ 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 مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24 اکتوبر 2019

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	Note	Un-Audited September 30, 2019	Audited June 30, 2019
		(Rupees in '000)	
Assets			
Bank balances		**25,641**	24,651
Investments	4	**77,887**	81,380
Dividend and profit receivable		**2,523**	875
Preliminary and floatation costs		**826**	877
Advance, deposit and prepayment		**540**	523
Total assets		**107,417**	108,306
Liabilities			
Payable to the Management Company		**1,475**	1,248
Payable to the Trustee		**19**	20
Payable to Securities and Exchange Commission of Pakistan		**5**	68
Accrued expenses and other liabilities		**708**	447
Total liabilities		**2,207**	1,783
Net assets		**105,210**	106,523
Unit holders' funds (As per Statement attached)		**105,210**	106,523
Contingencies and commitments	5		
		(Number of units)	
Number of units in issue		**12,868,907**	12,868,673
		(Rupees)	
Net asset value per unit		**8.1755**	8.2777

The annexed notes from 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended September 30, 2019 (Rupees in '000)
Income		
Loss on sale of investments - net		(946)
Dividend Income		2,244
Profit on bank deposits		877
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(2,878)
Total (loss)		(703)
Expenses		
Remuneration of the Trustee		51
Sales Tax on remuneration of the Trustee		7
Accounting and operational expenses		26
Selling and marketing expenses	6	257
Annual fee - Securities and Exchange Commission of Pakistan		5
Auditors' remuneration		104
Securities transaction cost		10
Settlement and bank charges		58
Listing fee		8
Professional charges		25
Amortisation of preliminary expenses and floatation costs		51
Shariah advisor fee		5
Printing and other charges		5
Total expenses		612
Net (loss) from operating activities		(1,315)
Provision for Sindh Workers' Welfare Fund		-
Net (loss) for the period before taxation		(1,315)
Taxation	7	-
Net (loss) for the period after taxation		(1,315)
Allocation of Net income for the period:		
Net loss for the period		-
Income already paid on units redeemed		-
		-
Accounting Income available for distribution:		
- Relating to capital gains		-
- Excluding capital gains		-
		-

The annexed notes from 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019 (Rupees in '000)
Net (loss) for the period after taxation	**(1,315)**
Other comprehensive income	**-**
Total comprehensive (loss) for the period	**(1,315)**

The annexed notes from 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019		
	Capital value	Undistributed loss	Total
	---------------- (Rupees in '000) ----------------		
Net assets at beginning of the period	126,095	(19,572)	106,523
Issue of 12,209,787 units			
- Capital value	101,069	-	101,069
- Element of loss	(3,175)	-	(3,175)
Total proceeds on issuance of units	97,894	-	97,894
Redemption of 12,209,553 units			
- Capital value	(101,067)	-	(101,067)
- Element of income	3,175	-	3,175
Total payments on redemption of units	(97,892)	-	(97,892)
Total comprehensive loss for the period	-	(1,315)	(1,315)
Net assets at end of the period	126,097	(20,887)	105,210
Undistributed loss brought forward			
- Realised		(1,666)	
- Unrealised		(17,906)	
		(19,572)	
Accounting (loss) / income available for distribution:			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Net loss for the period after taxation		(1,315)	
Undistributed loss carried forward		(20,887)	
Undistributed loss carried forward			
- Realised loss		(18,009)	
- Unrealised loss		(2,878)	
		(20,887)	
			(Rupees)
Net assets value per unit at beginning of the period			8.2777
Net assets value per unit at end of the period			8.1755

The annexed notes from 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES	
Net (loss) for the period before taxation	(1,315)
Adjustments	
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,878
Amortisation of preliminary expenses and floatation costs	51
	1,614
Increase in assets	
Investments - net	615
Dividend and profit receivable	(1,648)
Advance, deposit and prepayment	(17)
	(1,050)
Increase in liabilities	
Payable to the Management Company	227
Payable to the Trustee	(1)
Payable to Securities and Exchange Commission of Pakistan	(63)
Accrued expenses and other liabilities	261
	424
Net cash generated from operating activities	988
CASH FLOW FROM FINANCING ACTIVITIES	
Net receipts from issue of units	97,894
Net payments on redemption of units	(97,892)
Net cash generated from financing activities	2
Net increase in cash and cash equivalents during the period	990
Cash and cash equivalents at the beginning of the period	24,651
Cash and cash equivalents at the end of the period	25,641

The annexed notes from 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP Islamic Regular Income Fund (Formerly; NBP Aitemaad Regular Payment Fund) [the Fund] was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 07 August 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and accordingly the Trust Deed was executed on 09 August 2018. The effective date of change of name of the Fund is 31 May 2019.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of (MUFAP).

The Fund is an open-ended mutual fund classified as an "Shariah Compliant Asset Allocation Fund" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund, is to provide regular monthly payments to investors by investing in Shariah Compliant Debt, Money Market and Equity investment avenues.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to 'the Management Company. The Fund has not yet been rated.

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

2 BASIS OF PREPARATION

2.1 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2019.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

4 INVESTMENTS

	Note	**Un-audited September 30, 2019**	**Audited June 30, 2019**
		(Rupees in '000)	
Financial assets at fair value through profit or loss			
- Listed equity securities	*4.1*	**77,887**	**81,380**

4.1 Investment in listed equity securities

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

Name of the Investee Company	As at 1 July 2019	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 September 2019	Market value /carrying value as at 30 September 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held
	(Number of shares)						(Rupees in '000)	(%)		
Oil and Gas Exploration Company										
Pakistan Oilfields Limited	28,600	1,300	-	-	-	29,900	11,359	10.80	14.58	0.01
Pakistan Petroleum Limited	56,600	-	-	-	9,000	47,600	6,475	6.15	8.31	-
Oil & Gas Development Company Limited	100,700	8,500	-	-	34,500	74,700	9,190	8.74	11.80	-
	185,900	**9,800**	**-**	**-**	**43,500**	**152,200**	**27,024**	**25.69**	**34.69**	
Oil and Gas Marketing Company										
Pakistan State Oil Company Limited	3,600	7,000	-	-	-	10,600	1,669	1.59	2.14	-
Sui Northern Gas Pipelines Limited	-	4,500	-	-	-	4,500	277	0.26	0.36	-
Attock Petroleum Limited	10,700	-	-	-	-	10,700	3,296	3.13	4.23	0.01
	14,300	**11,500**	**-**	**-**	**-**	**25,800**	**5,242**	**4.98**	**6.73**	
Fertilizer										
Engro Corporation Limited	46,860	1,900	-	-	-	48,760	13,014	12.37	16.72	0.01
Engro Fertilizers Limited	169,000	7,500	-	-	-	176,500	12,043	11.45	15.46	0.01
	215,860	**9,400**	**-**	**-**	**-**	**225,260**	**25,057**	**23.82**	**32.18**	
Cement										
Lucky Cement Limited	4,900	-	-	-	-	4,900	1,677	1.59	2.15	-
Kohat Cement Company Limited	22,800	-	-	-	-	22,800	1,049	1.00	1.35	0.01
	27,700	**-**	**-**	**-**	**-**	**27,700**	**2,726**	**2.59**	**3.50**	
Textile Composite										
Nishat Mills Limited	28,000	6,500	-	-	-	34,500	2,898	2.75	3.72	0.01
	28,000	**6,500**	**-**	**-**	**-**	**34,500**	**2,898**	**2.75**	**3.72**	
Transport										
Pakistan National Shipping Corporation Limited	-	17,000	-	-	-	17,000	1,073	1.02	1.38	0.01
	-	**17,000**	**-**	**-**	**-**	**17,000**	**1,073**	**1.02**	**1.38**	
Technology & Communication										
Pakistan Telecommunication Company Limited	492,500	-	-	-	-	492,500	3,398	3.23	4.36	0.01
	492,500	**-**	**-**	**-**	**-**	**492,500**	**3,398**	**3.23**	**4.36**	
Power Generation and Distribution										
The Hub Power Company Limited	147,972	-	-	-	-	147,972	10,469	9.95	13.44	0.01
	147,972	**-**	**-**	**-**	**-**	**147,972**	**10,469**	**9.95**	**13.44**	
Total - 30 September 2019	**1,112,232**	**54,200**	**-**	**-**	**43,500**	**1,122,932**	**77,887**	**74.03**	**100.00**	
Carrying value before fair value adjustment as at 30 September 2019							**80,765**			

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2019 and June 30 ,2019.

6 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.15% per annum of the net assets of the Fund.

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these consdensed interim financial statements.

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

8 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 2.39% which includes 0.04% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant asset allocation scheme'.

9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

9.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

9.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

9.5 Transactions during the period	Un-audited Quarter Ended September 30, 2019
NBP Fund Management Limited - Management Company	
Issue of 12,209,553 units	97,893
Redemption of 12,209,553 units	97,893
Accounting and operational expenses	26
Selling and marketing expenses	257
Bank Islami Pakistan Limited (Common directorship)	
Markup on bank balances	297
Central Depository Company of Pakistan Limited - Trustee	
Trustee Remuneration	51
Sales tax on remuneration to Trustee	7
CDC charges	18
Taurus Securities Limited (Subsidiary of Parent Company)	
Brokerage charges	10

	Un-audited September 30, 2019	Audited June 30, 2019
	(Rupees in '000)	
9.6 Balances outstanding as at period end		
NBP Fund Management Limited - Management Company		
Units held: 12,209,553 units (June 30, 2019: 12,209,553 units)	99,819	101,067
Accounting and operational charges to the Management Company	26	56
Selling and marketing expenses	257	-
Preliminary expenses and floatation costs	1,011	1,011
Sales load and others	1	1
Other payable	180	180
National Bank of Pakistan Limited - Islamic Banking (Parent Company)		
Bank Balance	13	13
Markup on bank balance	2	2
Central Depository Company of Pakistan Limited - Trustee		
Remuneration Payable	17	18
Sindh Sales Tax on Trustee remuneration	2	2
CDC charges	23	6
Security deposit	100	100
Bank Islami Pakistan Limited (Common directorship)		
Bank balance	252	23,736
Markup on bank balance	10	247

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

11 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.
UAN: 021-111-111-632
Toll Free: 0800-20002
Sms: INVEST to 9995
Fax: 021-35825335
Email: info@nbpfunds.com
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS
Managing Your Savings

Islamic Savings

Aitemaad اعتماد
سود سے پاک
اسلامک سیونگز

AM1
Rated by PACRA

NAFA ISLAMIC PRINCIPAL PROTECTED FUND-II

QUARTERLY REPORT
SEPTEMBER 30, 2019

MISSION STATEMENT

To rank in the top quartile

in performance of

NBP FUNDS

relative to the competition,

and to consistently offer

Superior risk-adjusted returns to investors.

Contents

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. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	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
Syed Hasan Irtiza Kazmi	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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Allied Bank Limited
Sindh Bank Limited
Soneri Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.02,
Beaumont Road,
Karachi - 75530, Pakistan.

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

DIRECTORS' REPORT

The Board of Directors of NBP Fullerton Asset Management Limited is pleased to present the condensed unaudited financial statements of NAFA Islamic Principal Protected Fund - II (NIPPF - II) for the quarter ended September 30, 2019.

Fund's Performance

The size of NAFA Islamic Principal Protected Fund-II stood at Rs. 106 million at 30 Sep, 2019. During the period, the unit price of NAFA Islamic Principal Protected Fund-II has increased from Rs. 100.2278 on June 30, 2019 to Rs. 101.6147 on September 30, 2019, thus showing an increase of 1.4%. The Benchmark during the same period decrease by 0.7%. Thus, the Fund has outperformed its Benchmark by 0.7% during the period under review. Since inception (June 27, 2014), the unit price of the Fund has shown a growth of 58.9% as compared to 40.2% increase in its Benchmark. Thus, the Fund has outperformed its Benchmark by 18.7%. This performance is net of management fee and all other expenses.

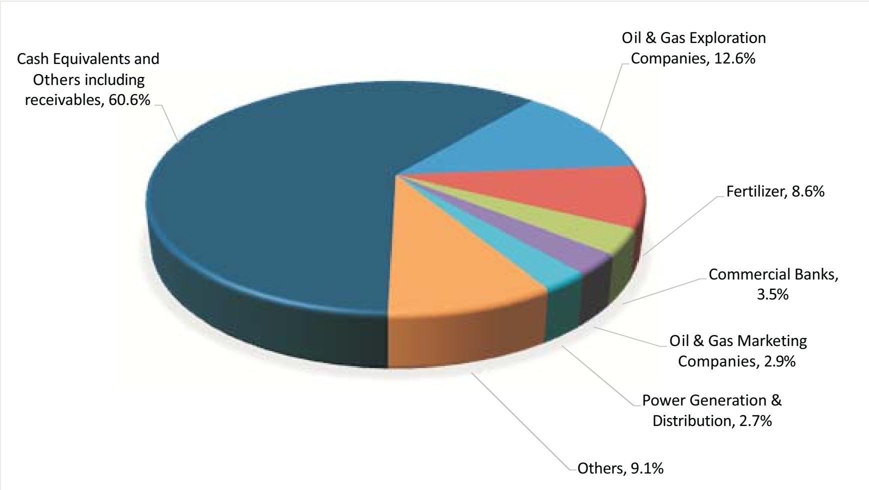
The Stock market started 1QFY2020 on a faltering note and the KMI-30 Index fell sharply to a multi-year low level of 44,929 points by mid-August. The sell-off was witnessed at the local bourse despite positive developments on the external account front, as the IMF accorded approval to USD 6 billion Extended Fund Facility (EFF) along with the immediate release of USD 1 billion. In addition to this, first tranche of USD 500 million was received from Qatar under the USD 3 billion package, and monthly oil facility from Saudi Arabia of USD 275 million was also commenced in July 2019. Drag on the performance of the market was pervasive negative mainly stemming from concerns over slowdown in economic activity amid increasing cost of doing business, rising cost of capital, tapering off consumer demand, and cut in public sector spending. Onerous taxation measures announced in the Federal Budget FY2020 and drive for the documentation of economy with its short-term negative implications for the corporate profitability also had impact on investors' sentiments. Deteriorating relationship between the nuclear-armed India-Pakistan after the repeal of article 370 and imposition of curfew/lockdown in Indian occupied Kashmir also sent jitters in the market.

However, the market staged a strong recovery of 14% after bottoming out in mid-August as improving macroeconomic indicators come to fore notably, a significant improvement in Current Account Deficit that dropped by 55% in 2MFY2020 to USD 1.29 billion. Concerns on spiraling inflation started to wane as inflation trajectory appears relatively soft after rebasing of the index. Investors also drew comfort from falling yields on longer tenure government securities, a precursor to reversal of monetary tightening cycle that buoyed the market sentiment. Overall, the benchmark KMI-30 Index finished the quarter under review with a decline of 5.5%. Looking at participant-wise activity during the period, foreign investors remained net buyers with net inflows amounting to USD 23 million. On the local front, Mutual Funds sold equities worth USD 82 million, while individual investors added positions to the tune of USD 49 million.

During 1QFY20, the State Bank of Pakistan (SBP) held two bi-monthly monetary policy reviews. In its first monetary policy review, considering upside risks to inflation and the need to contain demand pressure, the SBP increased the Policy Rate by 100bps from 12.25% to 13.25%. In the second monetary policy review on September 16th, the SBP decided to keep the policy rate unchanged. The SBP cited favorable adjustments in the Current Account Deficit (CAD) mainly driven by 11% growth in exports and 25.8% contraction in imports while maintaining its inflation expectation. As expected, inflation kept rising and year-on-year CPI inflation spiked to 11.4% in September 2019 compared with 5.1% in September 2018. In line with the hike in the Policy Rate, 3-month, 6-month, and 12-month KIBOR went up by 88 bps, 79 bps, and 42 bps, respectively. The primary market for Corporate Sukuks remained under-supplied against the large and growing demand. In the secondary market, the trading activity in the Corporate Sukuks remained skewed towards high quality debt issues with cumulative traded value of around Rs. 2.5 billion in 1QFY20 compared to Rs. 2.9 billion during same period last year.

NAFA Islamic Principal Protected Fund-II has incurred a total income of Rs. 2.20 million during the period. After accounting for expenses of Rs. 0.78 million, the net income is Rs1.42 million.

The asset allocation of the Fund as on September 30, 2019 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: October 24, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NAFA اسلامک پرنسپل پروٹیکٹڈ فنڈ II- (NIPPF-II) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

30 ستمبر 2019 کو NAFA اسلامک پرنسپل پروٹیکٹڈ فنڈ II- (NIPPF-II) کا فنڈ سائز 106 ملین روپے رہا۔ اس مدت کے دوران، اسلامک پرنسپل پروٹیکٹڈ فنڈ II- کے یونٹ کی قیمت 30 جون 2019 کو 100.2278 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2019 کو 101.6147 روپے ہوگئی، لہٰذا 1.4% کا اضافہ ظاہر کرتی ہے۔ اسی مدت کے دوران بنچ مارک میں کمی 0.7% ہوئی۔ چنانچہ زیرِ جائزہ مدت کے دوران فنڈ نے اپنے بنچ مارک سے 0.7% کی بہتر کارکردگی کا مظاہرہ کیا۔ اپنے قیام (27 جون 2014) کے وقت سے فنڈ کی یونٹ قیمت نے اپنے بینچ مارک میں 40.2% اضافہ کے مقابلے 58.9% کی نمو دکھائی۔ لہٰذا فنڈ نے اپنے بینچ مارک سے 18.7% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

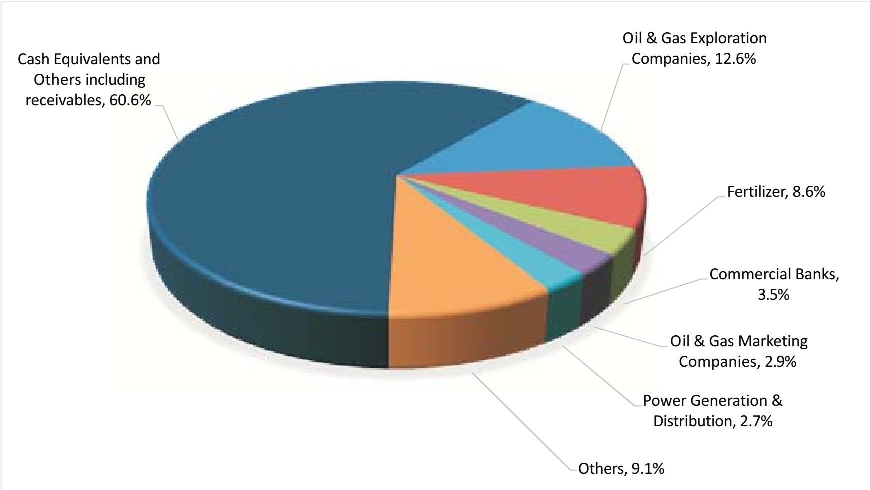
مالی سال 2020 کی پہلی سہ ماہی میں اسٹاک مارکیٹ کا آغاز مندی سے ہوا اور KMI-30 انڈیکس وسط اگست تک تیزی سے کمی کے بعد 44,929 پوائنٹس کی کثیر سالہ کم ترین سطح پر پہنچ گیا۔ بیرونی کھاتوں کی مد میں مثبت پیش رفت کے باوجود مقامی مارکیٹ میں فروخت کا رجحان رہا۔ جیسا کہ IMF نے 6 بلین امریکی ڈالر کی توسیعی فنڈ فیسلٹی (EFF) کے ساتھ فوری طور پر 1 بلین امریکی ڈالر جاری کرنے کی منظوری دے دی۔ اس کے علاوہ، 3 بلین امریکی ڈالر منصوبہ کے تحت قطر سے 500 ملین امریکی ڈالر کی وصولی اور سعودی عرب سے 275 ملین امریکی ڈالر کی مالیت کے تیل کی ماہانہ فراہمی کا آغاز جولائی 2019ء میں ہوگیا۔ کاروبار کرنے کی لاگت میں اضافہ، سرمایہ کی بڑھتی قیمت، صارفین کی طلب میں کمی اور سرکاری شعبہ کے اخراجات میں کٹوتی جیسی سست رو معاشی سرگرمیوں نے مارکیٹ کی کارکردگی پر منفی اثر ڈالا۔ مالیاتی سال 2020ء کے لئے وفاقی بجٹ میں زبردست ٹیکس اصلاحات کا نفاذ اور دستاویزی معیشت کو اس کے قلیل مدتی منفی مضمرات کے ساتھ شکل دینے کے اقدام کی وجہ سے سرمایہ داروں کے جذبات پر بُرا اثر پڑا۔ آرٹیکل 370 کے خاتمہ کے بعد دوایٹمی ممالک انڈیا پاکستان کے درمیان تناؤ اور بھارتی مقبوضہ کشمیر میں کرفیو/ لاک ڈاون کے اطلاق کے باعث مارکیٹ شدید دباؤ کا شکار رہی۔

تاہم، وسط اگست میں اقتصادی اشارہ میں بہتری خاص طور پر مالی سال 2020 کے دوسرے ماہ میں کرنٹ اکاؤنٹ خسارہ میں 55 فی صد کمی واقع ہوئی اور یہ خسارہ 1.29 بلین امریکی ڈالر ہوگیا جسکی بدولت مارکیٹ نے اپنے انحطاطی نقطہ سے 14 فیصد کی مظبوط بحالی کا مظاہرہ کیا۔ انڈیکس میں تبدیلی کے بعد بڑھتے ہوئے افراط زر میں کچھ کمی واقع ہوئی جبکہ افراط زر میں اضافہ کے خدشات چھائے رہے۔ طویل مدتی حکومتی سیکیورٹیز میں منافع کے اضافہ کی وجہ سے سرمایہ داروں کو کچھ اطمینان ہوا۔ یہ سیکیورٹیز معاشی استحکام کے لئے متعارف کرائی گئیں جس کی وجہ سے مارکیٹ میں تحریک پیدا ہوئی۔ مجموعی طور پر KMI-30 انڈیکس نے زیرِ جائزہ سہ ماہی کے دوران 5.5 فی صد کی کمی کے ساتھ اختتام پذیر ہوا۔ زیرِ جائزہ مدت کے دوران انفرادی سرگرمی کو دیکھتے ہوئے غیر ملکی سرمایہ دار 23 ملین ڈالر مالیت کے ان فلوز کے ساتھ نمایاں خریدار رہے۔ مقامی سطح پر میوچل فنڈ نے 82 ملین ڈالر کی ایکویٹیز فروخت کیں جب کہ انفرادی سرمایہ داروں نے 49 ملین ڈالر کی سرمایہ داری کی۔

مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کردی۔ 16 ستمبر کو دوسرے مانیٹری پالیسی جائزہ میں SBP نے پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ SBP نے کرنٹ اکاؤنٹ خسارہ (CAD) میں واضح تبدیلی دیکھی جو برآمدات میں 11 فی صد نمو اور درآمدات میں 25.8 فی صد کمی کے مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سال بسال کی بنیاد پر CPI افراط زر میں ستمبر 2018ء میں 5.1 فی صد کے مقابلہ میں ستمبر 2019ء کے دوران 11.4 فی صد اضافہ ہوا۔ روپے کی قدر میں کمی، تیل کی بین الاقوامی قیمتوں میں عدم استحکام، مسلسل حکومتی قرضوں کا حصول اور یوٹیلٹی نرخوں میں اضافہ کے اثرات کی وجہ سے افراط زر میں مزید اضافہ کی توقع ہے۔ پالیسی شرح میں اضافہ کے تحت سہ ماہی، ششماہی اور سالانہ KIBOR میں بالترتیب 88، 79 اور 42 بی پی ایس اضافہ ہوا۔ کارپوریٹ سکوک کے لئے ابتدائی مارکیٹ کی زیادہ طلب کے مقابلہ میں رسد کم رہی۔ ثانوی منڈی میں، کارپوریٹ سکوک کا تجارتی سرگرمی اعلیٰ کوالٹی ڈیبٹ اجرا کی جانب زیادہ جھکاؤ رہا جس کی مجموعی تجارتی قدر مالی سال 2019ء میں 2.9 بلین روپے کے مقابلہ میں مالیاتی سال 2020ء میں 2.5 بلین روپے رہی۔

NAFA اسلامک پرنسپل پروٹیکٹڈ فنڈ II کو موجودہ مدت کے دوران 2.20 ملین روپے کی مجموعی آمدنی ہوئی ہے۔ 0.78 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد کل خسارہ 1.42 ملین روپے ہے۔

30 ستمبر 2019 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسبِ ذیل ہے:



اظہارِ تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے ہوئے مینجمنٹ 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 کمشن 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 ڈائریکٹر

NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو　　　　ڈائریکٹر

تاریخ: 24 اکتوبر 2019

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	Note	(Un-Audited) As at September 30, 2019	(Audited) As at June 30, 2019
ASSETS		-------------Rupees in '000-----------	
Bank balances	4	**75,862**	95,050
Investments	5	**41,680**	23,688
Dividend and profit receivable		**1,725**	1,264
Advances, deposits and prepayments		**2,617**	2,600
Total assets		**121,884**	122,602
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		**254**	597
Payable to Central Depository Company of Pakistan Limited -Trustee		**12**	13
Payable to the Securities and Exchange Commission of Pakistan		**5**	88
Accrued expenses and other liabilities		**15,912**	15,579
Total liabilities		**16,183**	16,277
NET ASSETS		**105,701**	106,325
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**105,701**	106,325
CONTINGENCIES AND COMMITMENTS	7		
		--------Number of units----------	
NUMBER OF UNITS IN ISSSUE		**1,040,213**	1,060,828
		------------------Rupees----------------	
NET ASSET VALUE PER UNIT		**101.6147**	100.2278

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended September 30, 2019	Quarter ended September 30, 2018
		---------Rupees in '000---------	
INCOME			
Capital (loss) on sale of investments - net		**(261)**	(626)
Profit on bank deposits		**3,075**	1,985
Dividend income		**392**	344
Unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net		**(1,004)**	(270)
Total Income		**2,202**	1,433
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company		**320**	290
Sindh sales tax on Management Company's remuneration		**42**	38
Accounting and operational charges to the Management Company		**26**	31
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		**34**	41
Sindh sales tax on Trustee remuneration		**5**	5
Annual fee - Securities and Exchange Commission of Pakistan		**5**	24
Auditors' remuneration		**71**	40
Annual listing fee		**6**	6
Settlement and bank charges		**105**	116
Selling and marketing expenses	8	**105**	34
Securities transaction cost		**28**	8
Shariah advisor fee		**5**	124
Total Expenses		**752**	757
Net income from operating activities		**1,450**	676
Provision for Sindh Workers' Welfare Fund	6	**(29)**	(13)
Net income for the period before taxation		**1,421**	663
Taxation	9	**-**	-
Net income for the period after taxation		**1,421**	663
Allocation of Net Income for the period:			
Net income for the period after taxation		**1,421**	663
Income already paid on units redeemed		**-**	(13)
		1,421	650
Accounting income available for distribution			
-Relating to capital gains		**-**	-
-Excluding capital gains		**1,421**	650
		1,421	650

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	---------Rupees in '000---------	
Net income for the period after taxation	**1,421**	663
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**1,421**	663

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019			Quarter ended September 30, 2018		
	---------- Rupees in '000 ----------					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	(16,864)	123,189	106,325	1,034	125,671	126,705
Issue of additional Nil units (September 30, 2018: 4,332 units)						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	440	-	440
- Element of income	-	-	-	(1)	-	(1)
Total proceeds on issuance of units / Issue of bonus units - net of tax	-	-	-	439	-	439
Redemption of 20,615 units (September 30, 2018: 38,163 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,066)	-	(2,066)	(3,876)	-	(3,876)
- Element of income	21	-	21	-	(13)	(13)
Total payments on redemption of units	(2,045)	-	(2,045)	(3,876)	(13)	(3,889)
Total comprehensive income for the period	-	1,421	1,421	-	663	663
Final Distribution: Nil (2018: Rs.0.8090 per unit declared on July 04, 2018)						
- Cash Distribution	-	-	-	-	(1,001)	(1,001)
- Refund of Capital	-	-	-	-	-	-
	-	-	-	-	(1,001)	(1,001)
Net assets at end of the period	(18,909)	124,610	105,701	(2,403)	125,320	122,917
Undistributed income brought forward						
- Realised		128,256			127,620	
- Unrealised		(5,067)			(1,949)	
		123,189			125,671	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,421			650	
		1,421			650	
Distribution for the period		-			(1,001)	
Undistributed income carried forward		124,610			125,320	
Undistributed income carried forward						
- Realised		125,614			127,057	
- Unrealised (loss) / income		(1,004)			(1,737)	
		124,610			125,320	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			100.2278			102.3781
Net assets value per unit at end of the period			101.6147			102.1078

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter ended September 30, 2019	Quarter ended September 30, 2018
		---------Rupees in '000---------	
CASH FLOW FROM OPERATING ACTIVITIES			
Net Income for the period before taxation		**1,421**	663
Adjustments			
Unrealised diminution on re-measurement of investments classified as 'financial assets 'at fair value through profit or loss' - net		**1,004**	270
		2,425	933
(Increase)/ decrease in assets			
Investments		**(18,996)**	7,310
Dividend and profit receivable		**(461)**	(395)
Advances, deposits and prepayments		**(17)**	(17)
		(19,474)	6,898
(Decrease)/ Increase in liabilities			
Payable to NBP Fund Management Limited - Management Company		**(343)**	(4)
Payable to Central Depository Company of Pakistan Limited -Trustee		**(1)**	(1)
Payable to the Securities and Exchange Commission of Pakistan		**(83)**	(76)
Accrued expenses and other liabilities		**333**	97
		(94)	16
Net cash (used in)/ generated from operating activities		**(17,143)**	7,847
CASH FLOW FROM FINANCING ACTIVITIES			
Payments on redemption of units		**(2,045)**	(3,450)
Cash dividend		**-**	(1,001)
Net cash (used in) financing activities		**(2,045)**	(4,451)
Net (decrease)/ increase in cash and cash equivalents during the period		**(19,188)**	3,396
Cash and cash equivalents at the beginning of the period		**95,050**	108,910
Cash and cash equivalents at the end of the period	4	**75,862**	112,306

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NAFA Islamic Principal Protected Fund-II (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 07, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 15, 2014 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

The Fund has been categorised as an Open-End "Shariah Compliant Capital Protected Fund Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited.

The objective of NAFA Islamic Principal Protected Fund-II is to earn a potentially high return through dynamic asset allocation between shariah compliant equities and Money Market investment avenues, while providing principal protection. Principal protection means that the net realisable value of the Fund shall not fall below the initial investment value (adjusted for distributions / redemptions during the life of the Fund), provided that the units are held till the completion of the initial maturity of the Fund.

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

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

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund’s affairs as at September 30, 2019.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 he 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, 2019.

3.2 There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

4 BANK BALANCES	**Note**	**(Un-Audited) September 30, 2019**	**(Audited) June 30, 2019**
		------(Rupees in '000)------	
In current accounts		**255**	255
In savings accounts	4.1	**75,607**	94,795
		75,862	95,050

4.1 These accounts carry mark-up at rates ranging from 7.06% to 13.00% (June 2019: 2.4% to 13.00%) per annum.

5 INVESTMENTS	**Note**	**(Un-Audited) September 30, 2019**	**(Audited) June 30, 2019**
		------(Rupees in '000)------	
Financial assets classified as 'at fair value through profit or loss			
Listed equity securities	5.1	**41,680**	23,688

5.1 Investment in listed equity securities

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

Name of the Investee Company	As at 1 July 2019	Purchases during the Period	Bonus Shares issued during the Period	Right shares purchased/ subscribed during the Period	Sales during the Period	As at 30 September 2019	Market value as at 30 September 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held*
	(Number of shares)						(Rupees in '000)	(%)		
Pharma and Bio Tech										
Abott Laboratories (Pakistan) Limited	200	-	-	-	-	200	70	0.07	0.17	-
The Searle Company Limited	343	-	-	-	-	343	47	0.04	0.11	-
	543	**-**	**-**	**-**	**-**	**543**	**118**	**0.11**	**0.28**	
Commercial Banks										
Meezan Bank Limited	16,187	34,500	-	-	-	50,687	3,652	3.45	8.76	-
	16,187	**34,500**	**-**	**-**	**-**	**50,687**	**3,652**	**3.45**	**8.76**	
Cement										
Lucky Cement Limited	2,000	4,600	-	-	1,000	5,600	1,916	1.81	4.60	-
Kohat Cement Company Limited	3,330	7,500	-	-	-	10,830	498	0.47	1.20	0.01
	5,330	**12,100**	**-**	**-**	**1,000**	**16,430**	**2,414**	**2.28**	**5.80**	
Fertilizer										
Engro Corporation Limited	10,890	11,500	-	-	1,600	20,790	5,549	5.25	13.31	-
Engro Fertilizers Limited	43,500	14,500	-	-	6,500	51,500	3,514	3.32	8.43	-
	54,390	**26,000**	**-**	**-**	**8,100**	**72,290**	**9,062**	**8.57**	**21.74**	
Transport										
Pakistan National Shipping Corporation Limited	-	17,000	-	-	-	17,000	1,073	1.02	2.58	0.01
	-	**17,000**	**-**	**-**	**-**	**17,000**	**1,073**	**1.02**	**2.58**	
Power Generation & Distribution										
The Hub Power Company Limited	43,159	3,500	-	-	7,000	39,659	2,806	2.65	6.73	-
K-Electric Limited	29,000	-	-	-	29,000	-	-	-	0.00	-
	72,159	**3,500**	**-**	**-**	**36,000**	**39,659**	**2,806**	**2.65**	**6.73**	
Textile Composite										
Nishat Mills Limited	14,000	8,900	-	-	2,400	20,500	1,722	1.63	4.13	0.01
Kohinoor Textile Mills Limited	4,737	-	-	-	-	4,737	112	0.11	0.27	-
	18,737	**8,900**	**-**	**-**	**2,400**	**25,237**	**1,834**	**1.74**	**4.40**	
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	3,600	7,400	-	-	1,400	9,600	1,512	1.43	3.63	-
Sui Northern Gas Pipelines	7,500	20,000	-	-	3,000	24,500	1,509	1.43	3.62	-
Hascol Petroleum Limited	1,147	-	-	-	26	1,121	23	0.02	0.05	-
	12,247	**27,400**	**-**	**-**	**4,426**	**35,221**	**3,044**	**1.45**	**7.30**	
Engineering										
Mughal Iron and Steel Industries Limited	2,226	36,000	-	-	-	38,226	1,070	1.01	2.57	0.02
International Steels Limited	100	-	-	-	-	100	4	-	0.01	-
	2,326	**36,000**	**-**	**:**	**-**	**38,326**	**1,074**	**1.01**	**2.58**	

Name of the Investee Company	As at 1 July 2019	Purchases during the Period	Bonus Shares issued during the Period	Right shares purchased/ subscribed during the Period	Sales during the Period	As at 30 September 2019	Market value as at 30 September 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company held*
	(Number of shares)						(Rupees in '000)	(%)		
Glass & Ceramics										
Tariq Glass industries Limited	4,500	5,000	-	-	-	9,500	743	0.70	1.78	0.01
	4,500	**5,000**	**-**	**-**	**-**	**9,500**	**743**	**0.70**	**1.78**	
Technology and Communication										
Systems Limited	5,900	-	-	-	-	5,900	491	0.46	1.18	-
	5,900	**-**	**-**	**-**	**-**	**5,900**	**491**	**0.46**	**1.18**	
Refinery										
National Refinery Limited	200	-	-	-	-	200	23	0.02	0.05	-
	200	**-**	**-**	**-**	**-**	**200**	**23**	**0.02**	**0.05**	
Chemical										
Engro Polymer & Chemicals Limited	18,029	66,500	-	-	-	84,529	2,075	1.96	4.98	0.01
	18,029	**66,500**	**-**	**-**	**-**	**84,529**	**2,075**	**1.96**	**4.98**	
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	18,400	16,200	-	-	2,700	31,900	3,925	3.71	9.42	-
Pakistan Oilfields Limited	3,500	5,400	-	-	1,400	7,500	2,849	2.70	6.84	-
Pakistan Petroleum Limited	17,340	15,800	-	-	2,700	30,440	4,141	3.92	9.93	-
Mari Petroleum Limited	1,520	1,100	-	-	-	2,620	2,356	2.23	5.65	-
	40,760	**38,500**	**-**	**-**	**6,800**	**72,460**	**13,270**	**12.56**	**31.84**	
Total - 30 September 2019	**251,308**	**275,400**	**-**	**-**	**58,726**	**467,982**	**41,680**	**37.98**	**100.00**	
Carrying value before fair value adjustment as at 30 September 2019							**42,684**			

Nil values due to rounded off difference

5.1.1 Investments include shares with market value of Rs. 4.267 million (30 June 2019: Rs. 4.436 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's

trades in accordance with Circular number 11 dated 23th October 2007 issued by the Securities and Exchange Commission of Pakistan.

6 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 14.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs 3.641 million as at September 30, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 3.5004 per unit (June 30, 2019: Rs. 3.4051 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the September 30, 2019 and June 30, 2019.

8 SELLING AND MARKETING EXPENSE

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.4% per anum of the net assets of the Fund.

9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these consdensed interim financial statements.

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.

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 2.97% (2018: 2.79%) which includes 0.31% (2018: 0.36%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant equity scheme'.

11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

11.1 Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee and National Bank of Pakistan (NBP) being the sponsors, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

11.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

11.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

11.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

	---------(Un-Audited)---------	
	Quarter ended September 30, 2019	**Quarter ended September 30, 2018**
11.5 Details of the transactions with connected persons are as follows:	---------(Rupees in '000)---------	
NBP Fullerton Asset Management Limited - Management Company		
Remuneration for the period	**320**	290
Sindh Sales Tax on remuneration of management company	**42**	38
Accounting and operational charges to the Management Company	**26**	31
Selling and marketing expenses	**105**	34
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	**34**	41
Sindh Sales Tax on remuneration of Trustee	**5**	5
Settlement Charges	**92**	92
Taurus Securities Limited		
Brokerage expense	**2**	1
Employees of the Management Company		
Issue of Nil units (2018: 16 units)	**-**	2

	(Un-Audited) September 30, 2019	**(Audited) June 30, 2019**
11.6 Amounts/ balances outstanding as at period end	---------(Rupees in '000)---------	
NBP Fund Management Limited - Management Company		
Management fee payable	**109**	107
Sindh Sales Tax payable on remuneration of the Management Company	**14**	14
Accounting and operational charges payable to the Management Company	**26**	56
Selling and marketing expenses	**105**	224
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	**11**	12
Sindh Sales Tax payable on remuneration of Trustee	**1**	1
Settlement Charges	**34**	35
Security deposit	**100**	100
Employees of the Management Company		
Dividend reinvestment: 2,303 units (June 30, 2019: 2,303 Units)	**234**	231
Persons holding directly or indirectly 10% or more of the units in issue / net assets of the Fund		
City School Provident Fund Trust		
Units held: 458,218 units (June 30, 2019: 458,218 units)	**46,562**	45,926
Mehreen Dawood		
Units held: 209,748 units (June 30, 2019: 209,748)	**21,313**	21,023
Novartis Pharma (Pakistan) Ltd - Senior Provident Fund		
Units held:107,206 (June 30, 2019: 107,206 units)	**10,894**	10,745
Taimur Dawood		
Units held: 107,967 (June 30, 2019: 107,967 units)	**10,971**	10,821

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on October 24, 2019.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive Officer**	**Director**

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Email: info@nbpfunds.com
Website: www.nbpfunds.com
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NBP FUNDS

Managing Your Savings

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Rated by PACRA

NBP GOVERNMENT SECURITIES LIQUID FUND

QUARTERLY REPORT

SEPTEMBER 30, 2019

MISSION STATEMENT

To rank in the top quartile

in performance of

NBP FUNDS

relative to the competition,

and to consistently offer

Superior risk-adjusted returns to investors.

NBP FUNDS
Managing Your Savings

Contents

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. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	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 Murataz Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited
Soreni Bank Limited

Auditors

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

Legal Advisor

Akhund Forbes
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Clifton, Karachi 75600, Pakistan.

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Fax: 92-42-35861095

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Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

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National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Government Securities Liquid Fund** (Formerly; NAFA Government Securities Liquid Fund) (NGSLF) for the quarter ended September 30, 2019.

Fund's Performance

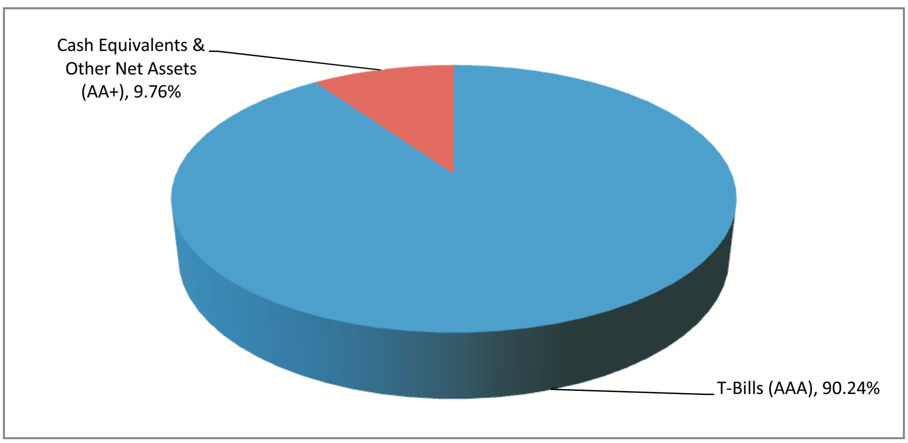
The size of NBP Government Securities Liquid Fund has increased from Rs. 1,931 million to Rs. 2,209 million during the quarter, i.e. a growth of 14%. During the period under review, the unit price of the Fund has increased from Rs. 9.8913 (Ex-Div) on June 30, 2019 to Rs. 10.1971 on September 30, 2019 thus posting a return of 12.3% p.a as compared to its Benchmark return of 12.6% p.a for the same period. The return of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. NGSLF is the largest Fund in Pakistan in this rating category. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risks are exceptionally low due to minimum 70% investment in Government securities (T-Bill) with average maturity of the overall portfolio at maximum of 45 days. The Fund is allowed to invest in AA & above rated Banks/DFIs with maximum maturity of six months.

During 1QFY20, the State Bank of Pakistan (SBP) held two (02) bi-monthly monetary policy reviews and increased the Policy Rate by 100bps in the first monetary policy review from 12.25% to 13.25%. In the second monetary policy review on September 16th, the SBP decided to keep the policy rate unchanged. The SBP cited favorable adjustments in the Current Account Deficit (CAD) mainly driven by 11% growth in exports and 25.8% contraction in imports while maintaining its inflation expectation. As expected, inflation kept rising and year-on-year CPI inflation spiked to 11.4% in September 2019 compared with 5.1% in September 2018. The inflation is expected to remain on the upward trajectory due to the pass-through of currency devaluation, volatility in international oil prices, unabated government borrowing, and impact of upward adjustment in utility tariffs. In line with the hike in the Policy Rate, yields on 3-month, 6-month, and 12-month T-Bills went up by 100 bps, 91 bps and 62 bps, respectively.

The Fund has earned a total income of Rs. 79.000 million during the period. After deducting total expenses of Rs. 9.597 million, the net income is Rs. 69.403 million.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset class of NGSLF:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 2.95% of the opening ex-NAV (3% of the par value) for the period ended September 30, 2019.

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: October 24, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (سابقہ: NAFA گورنمنٹ سیکورٹیز لیکویڈ فنڈ) (NGSLF) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

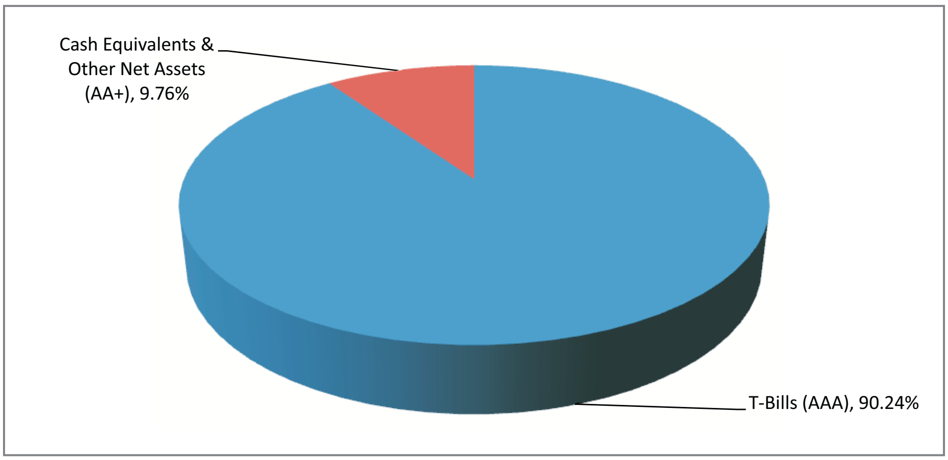
اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,931 ملین روپے سے بڑھ کر 2,209 ملین روپے ہو گیا یعنی 14% کا اضافہ ہوا۔ زیرِ جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.8913 روپے (Ex-Div) سے بڑھ کر 30 ستمبر 2019 کو 10.1971 روپے ہو گئی، لہٰذا اسی مدت کے دوران فنڈ نے اپنے بنچ مارک 12.6% کے مقابلے میں 12.3% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ اس ریٹنگ کیٹگری میں NGSLF پاکستان میں سب سے بڑا فنڈ ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈیٹی پروفائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ مجموعی پورٹ فولیو کی 45 دن کی اوسط میچورٹی کے ساتھ گورنمنٹ سیکیورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے ساتھ فنڈ کے کریڈٹ، لیکویڈیٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے بینکوں/DFIs میں انویسٹ کرنے کی اجازت ہے۔

مالی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراطِ زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کر دی۔ 16 ستمبر کو دوسرے مانیٹری پالیسی جائزہ میں SBP نے پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ SBP نے کرنٹ اکاؤنٹ خسارہ (CAD) میں واضح تبدیلی دیکھی جو برآمدات میں 11 فی صد نمو اور درآمدات میں 25.8 فی صد کمی کے مرہون منت ہے جب کہ افراطِ زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراطِ زر میں اضافہ ہوتا رہا اور سالہا سال کی بنیاد پر CPI افراطِ زر میں ستمبر 2018ء میں 5.1 فی صد کے مقابلہ میں ستمبر 2019ء کے دوران 11.4 فی صد اضافہ ہوا۔ روپے کی قدر میں کمی، تیل کی بین الاقوامی قیمتوں میں عدم استحکام، مسلسل حکومتی قرضوں کا حصول اور یوٹیلٹی نرخوں میں اضافہ کے اثرات کی وجہ سے افراطِ زر میں مزید اضافہ کی توقع ہے۔ پالیسی شرح میں اضافہ کے تحت سہ ماہی، ششماہی اور سالانہ ٹی بلز پر پیداوار میں بالترتیب 100، 91 اور 62 بی پی ایس کا اضافہ ہوا۔

فنڈ نے اس مدت کے دوران 79.00 ملین روپے کی مجموعی آمدنی کمائی۔ 9.597 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 69.403 ملین روپے ہے۔

درج ذیل چارٹ NGSLF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2019 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 2.95% (par value کا 3%) عبوری نقد ڈیویڈینڈ منظور کیا۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے ہوئے مینجمنٹ 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 مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24 اکتوبر 2019
مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	Note	Un-Audited September 30, 2019	Audited June 30, 2019
		(Rupees in '000)	
ASSETS			
Bank balances	*4*	**2,806,800**	1,985,384
Investments	*5*	**1,993,344**	1,484,649
Mark-up accrued		**8,361**	8,108
Advances and prepayments		**10,118**	10,219
Receivable against transfer of units		**600**	-
Total assets		**4,819,223**	3,488,360
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		**5,146**	2,848
Payable to Central Depository Company of Pakistan Limited - Trustee		**157**	204
Payable to the Securities and Exchange Commission of Pakistan		**114**	2,619
Payable against purchase of Investments		**1,993,168**	1,484,649
Payable against redemption of units		**541,251**	2
Accrued expenses and other liabilities		**70,564**	66,706
Total liabilities		**2,610,400**	1,557,028
Net Assets		**2,208,823**	1,931,332
Unit Holders' Funds (as per statement attached)		**2,208,823**	1,931,332
Contingencies & Commitments	*7*	-	-
		------------ Number of units ------------	
Number of units in issue		**216,613,397**	189,603,859
		------------------ Rupees -----------------	
Net asset value per unit		**10.1971**	10.1861

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended September 30, 2019	Quarter Ended September 30, 2018
		(Rupees in '000)	
INCOME			
(Loss) on sale of investments - net		**(846)**	(160)
Income from government securities		**57,754**	84,763
Income from letter of placements		**-**	10,186
Profit on bank deposits		**21,916**	12,326
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		**176**	(1,097)
Total Income		**79,000**	106,018
EXPENSES			
Remuneration to NBP Fund Management Limited - Management Company		**2,648**	8,342
Sindh Sales Tax on remuneration to Management Company		**344**	1,084
Remuneration to Central Depository Company of Pakistan Limited - Trustee		**372**	1,228
Sindh Sales Tax on Trustee remuneration		**48**	160
Accounting and operational expenses		**572**	1,385
Selling and marketing expenses	*8*	**3,599**	-
Annual fee - Securities and Exchange Commission of Pakistan		**114**	1,039
Securities transaction cost		**4**	7
Bank charges		**86**	52
Annual listing fee		**10**	7
Auditors' remuneration		**234**	196
Fund rating fee		**120**	110
Printing Charges		**5**	10
Legal fee		**25**	8
Total Expenses		**8,181**	13,628
Net income from operating activities		**70,819**	92,390
Provision for Sindh Workers' Welfare Fund	*6*	**(1,416)**	(1,848)
Net income for the period before taxation		**69,403**	90,542
Taxation	*9*	**-**	-
Net income for the period after taxation		**69,403**	90,542
Allocation of Net income for the period:			
Net income for the period after taxation		**69,403**	90,542
Income already paid on units redeemed		**(1,500)**	(14,187)
		67,903	76,355
Accounting income available for distribution:			
- Relating to Capital Gains		**-**	-
- Excluding Capital Gains		**67,903**	76,355
		67,903	76,355

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019	Quarter Ended September 30, 2018
	(Rupees in '000)	
Net income for the period after taxation	**69,403**	90,542
Other comprehensive income	**-**	-
Total comprehensive income for the period	**69,403**	90,542

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019			Quarter Ended September 30, 2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	1,833,215	98,117	1,931,332	5,514,312	276,300	5,790,612
Issue of 117,161,098 units (September 30, 2018: 75,984,633 units)						
- Capital value	1,193,415	-	1,193,415	772,148	-	772,148
- Element of income	6,206	-	6,206	3,832	-	3,832
Total proceeds on issuance of units	1,199,621	-	1,199,621	775,980	-	775,980
Redemption of 90,151,560 units (September 30, 2018: 146,477,600 units)						
- Capital value	(918,293)	-	(918,293)	(1,488,382)	-	(1,488,382)
- Element of loss	(49)	(1,500)	(1,549)	(762)	(14,187)	(14,949)
Total payments on redemption of units	(918,342)	(1,500)	(919,842)	(1,489,144)	(14,187)	(1,503,331)
Total comprehensive income for the period	-	69,403	69,403	-	90,542	90,542
Final Distribution for the year ended June 30, 2019: Nil (2018: Rs. 0.5367 declared on July 04, 2018)	-	-	-	(107,908)	(182,581)	(290,489)
Interim Distributions during the period						
Rs. 0.0956 declared on July 30, 2019 (2018: Nil)	(3,322)	(17,677)	(20,999)	-	-	-
Rs. 0.1033 declared on August 29, 2019 (2018: Nil)	(946)	(22,556)	(23,502)	-	-	-
Rs. 0.1017 declared on September 28, 2019 (2018: Nil)	(1,878)	(25,312)	(27,190)	-	-	-
	(6,146)	(65,545)	(71,691)	-	-	-
Net assets at the end of the period	2,108,348	100,475	2,208,823	4,693,240	170,074	4,863,314
Undistributed income brought forward						
- Realised		98,117			278,749	
- Unrealised		-			(2,449)	
		98,117			276,300	
Accounting income available for distribution						
- Relating to capital loss		-			-	
- Excluding capital gain		67,903			76,355	
		67,903			76,355	
Final Distribution during the period		-			(182,581)	
Interim Distributions during the period		(65,545)			-	
Undistributed income carried forward		100,475			170,074	
Undistributed income carried forward						
- Realised		100,299			171,171	
- Unrealised		176			(1,097)	
		100,475			170,074	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			10.1861			10.6986
Net assets value per unit at end of the period			10.1971			10.3309

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended September 30, 2019	Quarter Ended September 30, 2018
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**69,403**	90,542
Adjustments:			
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		**(176)**	1,097
		69,227	91,639
(Increase) / decrease in assets			
Investments		**(508,519)**	(364,042)
Mark-up accrued		**(253)**	4,457
Advances and prepayments		**101**	(152)
		(508,671)	(359,737)
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - Management Company		**2,298**	(926)
Payable to Central Depository Company of Pakistan Limited - Trustee		**(47)**	(22)
Payable to the Securities and Exchange Commission of Pakistan		**(2,505)**	(2,705)
Payable against purchase of Investments		**508,519**	(4,088,135)
Accrued expenses and other liabilities		**3,858**	2,688
		512,123	(4,089,100)
Net cash generated from / (used in) operating activities		**72,679**	(4,357,198)
CASH FLOW FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		**1,192,875**	668,525
Payment against redemption of units		**(378,593)**	(1,503,307)
Distributions paid		**(65,545)**	(182,581)
Net cash generated from / (used in) financing activities		**748,737**	(1,017,363)
Net increase / (decrease) in cash and cash equivalents during the period		**821,416**	(5,374,561)
Cash and cash equivalents at the beginning of the period		**1,985,384**	5,847,133
Cash and cash equivalents at the end of the period	*4*	**2,806,800**	472,572

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of (MUFAP).

The Fund is an open-ended mutual fund 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 Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

The Pakistan Credit Rating Agency (PACRA) has assigned an stability rating of 'AAA(f)' to the Fund and an asset manager rating of 'AM1' to the Management Company.

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

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2019.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

	Note	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
4 BANK BALANCES			
Current accounts		**4,834**	4,675
Savings accounts	*4.1*	**2,801,966**	1,980,709
		2,806,800	1,985,384

4.1 These accounts carry rates of return ranging from 6.30% to 14.85% (30 June 2018: 3.00% to 13.85%) per annum.

	Note	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Investment in government securities	*5.1*	**1,993,344**	1,484,649

5.1 Investment in government securities

Issue date	Tenor	Face value				Market value as at September 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchases during the period	Sales / matured during the period	As at September 30, 2019			
		Rupees in '000					%	
Market Treasury Bills								
09 May 2019	3 Months	1,500,000	-	1,500,000	-	-	-	-
18 July 2019	3 Months	-	4,516,000	2,516,000	2,000,000	1,993,344	90.24	100.00
						1,993,344	**90.24**	**100.00**
Carrying value before fair value adjustment as at 30 September 2019						**1,993,168**		

6 PROVISION FOR SINDH WORKERS' WELFARE FUND (SWWF)

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 10.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 19.113 million for the period ended September 30, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 0.0882 per unit (June 30, 2019: Rs. 0.0933 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2019 and June 30 ,2019.

8 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.7% per annum of the net assets of the Fund.

9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these consdensed interim financial statements.

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.

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 1.68% (2018: 1.12%) which includes 0.34% (2018: 0.30%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Money market scheme'.

11 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

The details of significant transactions carried out by the Fund with connected persons and balances with them at period end are as follows:

		Quarter Ended September 30, 2019	Quarter Ended September 30, 2018
11.1	**Details of the transactions with connected persons are as follows:**	(Rupees in '000)	
	NBP Fund Management Limited - Management Company		
	Management fee expense for the period	**2,648**	8,342
	Sindh Sales Tax for the period on management fee	**344**	1,084
	Accounting and operational charges to the Management Company	**572**	1,385
	Selling and marketing expenses	**3,599**	-
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee fee for the period	**372**	1,228
	Sindh Sales Tax for the period on Trustee fee	**48**	160
	Employees of the Management Company		
	Units issued: 60,508 units (September 30, 2018: 529 units)	**618**	4
	Units redeemed: 117,858 units (September 30, 2018: 1,964 units)	**1,207**	20
	Mr. Muhammad Murtaza Ali - Chief Operating Officer & Company Secretary		
	Units issued: 67 units (September 30, 2018: 188,646 units)	**1**	1,876
	Units Redeemed: Nil units (September 30, 2018: 185,963 units)	**-**	1,905
	NBP Employees Pension Fund - (Subsidiary of Parent Company)		
	Units issued: 635,181 units (September 30, 2018: 756,569 units)	**6,471**	7,695
	NAFA Provident Fund Trust - (Subsidiary of Parent Company)		
	Units issued: Nil units (September 30, 2018: 3,422 units)	**-**	5
	NBP Endowment Fund Students Loan Scheme - (Subsidiary of Parent Company)		
	Units issued: Nil units (September 30, 2018: 191,869 units)	**-**	1,951
	Units Redeemed: Nil units (September 30, 2018: 1,627,389 units)	**-**	16,700
	Mutual Fund Association of Pakistan - MUFAP (Common Directorshi with the Management Company)		
	Units issued: Nil units (September 30, 2018: 4,249 units)	**-**	43
	Taurus Securities Limited - (Subsidiary of Parent Company)		
	Units issued: 9,980,098 units (September 30, 2018: Nil units)	**101,658**	-
	Portfolios managed by the Management Company		
	Market Treasury Bills sold during the period	**133,997**	-
	Units issued: 5 units (September 30, 2018: Nil units)	**-**	-
**	**Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the CIS)**		
	Units issued: 39,429,791 units (September 30, 2018: Nil units)	**401,636**	-
	K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS)		
	Units issued: 1,463,524 units (September 30, 2018: 2,321,104 units)	**14,909**	23,606
*	**Punjab Police Welfare Fund (Unit holder of 10% or more of units of the CIS)**		
	Units issued: Nil units (September 30, 2018: 35,051,356 units)	**-**	242,144
*	**Pakistan Mobile Communication Limited (Unit holder of 10% or more of units of the CIS)**		
	Units issued: Nil units (September 30, 2018: 13,586,467 units)	**-**	107,806
	Units Redeemed: Nil units (September 30, 2018: 7,276,230 units)	**-**	74,500

11.2	Amounts outstanding as at quarter end	Un-Audited As at September 30, 2019	Audited As at June 30, 2019
		(Rupees in '000)	
	NBP Fund Management Limited - Management Company		
	Remuneration of the Management Company	**863**	1,558
	Sindh Sales Tax on remuneration of the Management Company	**112**	202
	Operational expenses	**572**	1,088
	Selling and marketing expenses	**3,599**	-
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	**139**	181
	Sindh Sales Tax on remuneration of the Trustee	**18**	23
	National Bank of Pakistan (Parent of the Management Company)		
	Bank balance	**3,797**	5,137
	Bank profit receivable	**42**	67
	Mr. Muhammad Murtaza Ali - Chief Operating Officer & Company Secretary		
	Investment held in the Fund: 2,498 units (June 30,2019: 2,431 units)	**25**	25
	Summit Bank Limited (Common Directorship with the Management Company)		
	Bank balance	**4,808**	4,649
	Askari Bank Limited (Common Directorship with the Management Company)		
	Bank balance	**140**	138
	Bank profit receivable	**-**	2
	Employees of the Management Company		
	Investment held in the Fund: 174,005 units (June 30,2019: 231,355 units)	**1,774**	2,357
	NBP Employees Pension Fund - (Subsidiary of Parent Company)		
	Investment held in the Fund: 21,956,023 units (June 30,2019: 21,320,842 units)	**223,888**	217,176
	NBP Endowment Fund Students Loan Scheme - (Subsidiary of Parent Company)		
	Investment held in the Fund: Nil units (June 30,2019: 20,187 units)	**-**	206
	Portfolios managed by the Management Company		
	Investment held in the Fund: 5 units (June 30,2019: Nil units)	**-**	-
	Taurus Securities Limited - (Subsidiary of Parent Company)		
	Investment held in the Fund: 9,980,098 units (June 30,2019: Nil units)	**101,768**	-
	Faruque Private Limited - (Common Directorship with the Management Company)		
	Investment held in the Fund: 1,971 units (June 30,2019: 1,923 units)	**20**	20
	** **Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the Fund)**		
	Investment held in the Fund: 39,429,791 units (June 30,2019: Nil units)	**402,070**	-
	K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS)		
	Investment held in the Fund: 59,341,293 units (June 30,2019: 57,877,769 units)	**605,109**	589,549
	* **Asian Securities Limited (Unit holder of 10% or more of units of the Fund)**		
	Investment held in the Fund: Nil units (June 30,2019: 19,508,682 units)	**-**	198,717

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

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

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

13 GENERAL

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

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive Officer**	**Director**

Head Office

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

UAN: 021-111-111-632
Toll Free: 0800-20002
Sms: INVEST to 9995
Fax: 021-35825335
Email: info@nbpfunds.com
Website: www.nbpfunds.com
/nbpfunds

NBP FUNDS
Managing Your Savings

Islamic Savings

Aitemaad اعتماد

اسلامک سیونگز

AM1
Rated by PACRA

NBP ISLAMIC ENERGY FUND

QUARTERLY REPORT
SEPTEMBER 30, 2019

MISSION STATEMENT

To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.

Contents

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. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	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
Syed Hasan Irtiza Kazmi	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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islami Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Summit Bank Limited
United Bank Limited

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the condensed unaudited financial statements of **NBP Islamic Energy Fund** (Formerly: NAFA Islamic Energy Fund) (NIEF) for the quarter ended September 30, 2019.

Fund's Performance

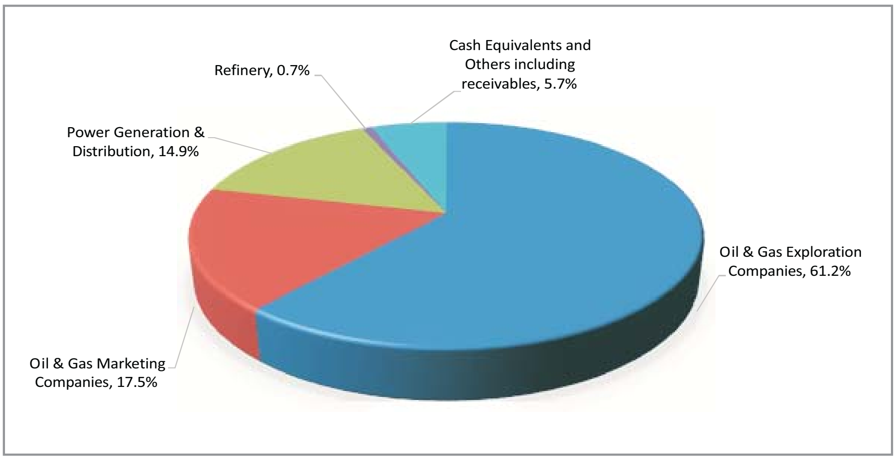
The size of NBP Islamic Energy Fund (Formerly: NAFA Islamic Energy Fund) at the end of the period stood at Rs. 514 million, 23% lower than at June 30, 2019. During the period the unit price of NIEF has decreased from Rs. 9.1493 on June 30, 2019 to Rs. 8.4252 on September 30, 2019, thus showing a decrease of 7.9%. The Benchmark (KMI-30 Index) decreased by 5.5%. Thus, the Fund has underperformed its Benchmark by 2.4% during the period under review. Since inception (April 21, 2016), the unit price of the Fund has shown a decline of 6.9% as compared to 13.2% decrease in its Benchmark. Thus, the Fund has outperformed its Benchmark by 6.3%. This performance is net of management fee and all other expenses.

The Stock market started 1QFY2020 on a faltering note and the KMI-30 Index fell sharply to a multi-year low level of 44,929 points by mid-August. The sell-off was witnessed at the local bourse despite positive developments on the external account front, as the IMF accorded approval to USD 6 billion Extended Fund Facility (EFF) along with the immediate release of USD 1 billion. In addition to this, first tranche of USD 500 million was received from Qatar under the USD 3 billion package, and monthly oil facility from Saudi Arabia of USD 275 million was also commenced in July 2019. Drag on the performance of the market was pervasive negative mainly stemming from concerns over slowdown in economic activity amid increasing cost of doing business, rising cost of capital, tapering off consumer demand, and cut in public sector spending. Onerous taxation measures announced in the Federal Budget FY2020 and drive for the documentation of economy with its short-term negative implications for the corporate profitability also had impact on investors' sentiments. Deteriorating relationship between the nuclear-armed India-Pakistan after the repeal of article 370 and imposition of curfew/lockdown in Indian occupied Kashmir also sent jitters in the market.

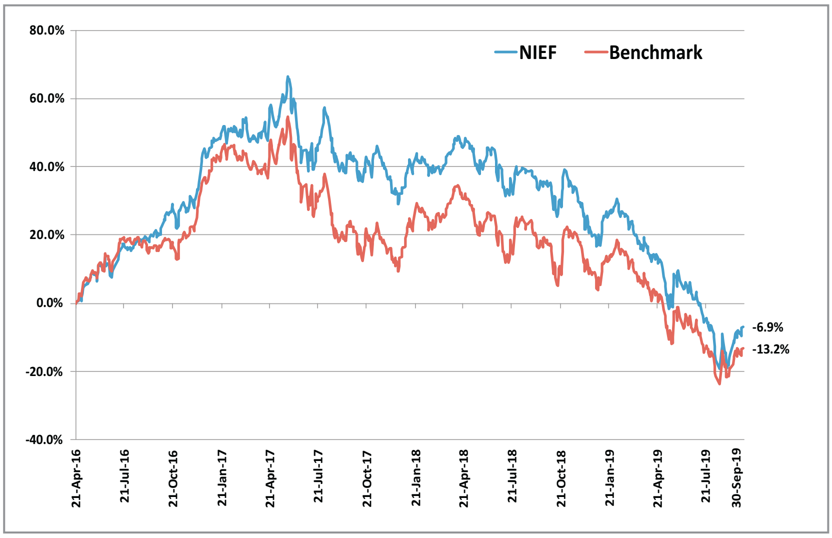
However, the market staged a strong recovery of 14% after bottoming out in mid-August as improving macroeconomic indicators come to fore notably, a significant improvement in Current Account Deficit that dropped by 55% in 2MFY2020 to USD 1.29 billion. Concerns on spiraling inflation started to wane as inflation trajectory appears relatively soft after rebasing of the index. Investors also drew comfort from falling yields on longer tenure government securities, a precursor to reversal of monetary tightening cycle that buoyed the market sentiment. Overall, the benchmark KMI-30 Index finished the quarter under review with a decline of 5.5%. Looking at participant-wise activity during the period, foreign investors remained net buyers with net inflows amounting to USD 23 million. On the local front, Mutual Funds sold equities worth USD 82 million, while individual investors added positions to the tune of USD 49 million.

NBP Islamic Energy Fund has incurred a loss of Rs. 49.559 million during the period. After incurring total expenses of Rs. 4.941 million, the net loss is Rs. 54.5 million.

The asset allocation of the Fund as on September 30, 2019 is as follows:



NIEF Performance versus Benchmark (Since Inception)



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: October 24, 2019
Place: Karachi.

ڈائریکٹرز کی رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک انرجی فنڈ (سابقہ: NAFA اسلامک انرجی فنڈ)(NIEF) کے کنڈینسڈ غیر جانچ شدہ مالی گوشوارے پیش کرتے ہیں۔

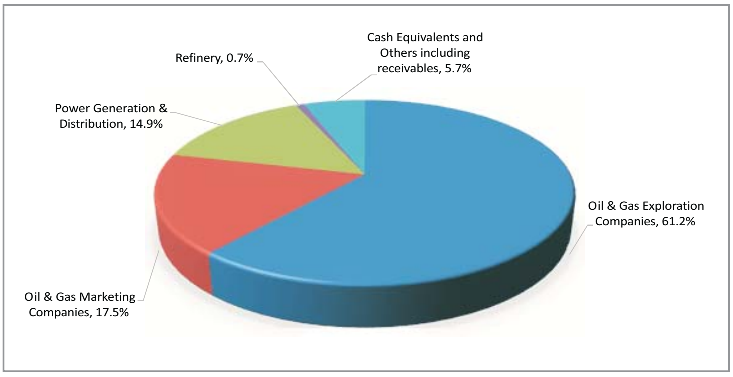
فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک انرجی فنڈ (سابقہ: NAFA اسلامک انرجی فنڈ) کا سائز 514 ملین روپے رہا۔ جو 30 جون 2019 کے مقابلے میں 23% کم ہے۔ اس مدت کے دوران، NBP اسلامک انرجی فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.1493 روپے سے کم ہوکر 30 ستمبر 2019 کو 8.4252 روپے ہوگئی، لہٰذا 7.9% کی کمی دیکھی گئی۔ بینچ مارک (KMI-30 انڈیکس) 5.5% سے کم ہوا۔ لہٰذا فنڈ کی کارکردگی زیرِ جائزہ مدت کے دوران اپنے بینچ مارک سے 2.4% ابتر رہی۔ اپنے قیام کے وقت (21 اپریل 2016) سے اب تک فنڈ کے یونٹ کی قیمت نے اپنے بینچ مارک میں 13.2% کمی کے مقابلے میں 6.9% کی کمی دکھائی۔ اس طرح فنڈ کی کارکردگی اپنے بینچ مارک کے مقابلے میں 6.3% بہتر رہی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

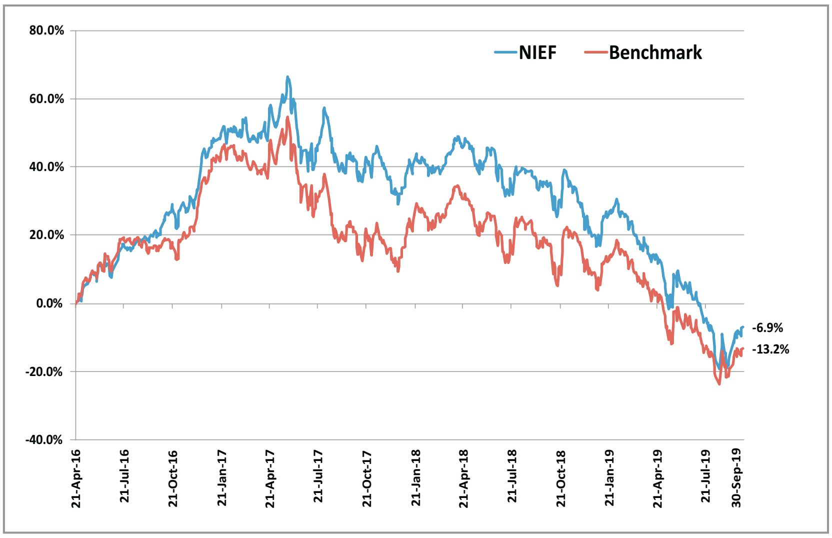
مالی سال 2020ء کی پہلی سہ ماہی میں اسٹاک مارکیٹ کا آغاز مندی سے ہوا اور KMI-30 انڈیکس وسط اگست تک تیزی سے کمی کے بعد 44,929 پوائنٹس کی کثیر سالہ کم ترین سطح پر پہنچ گیا۔ بیرونی کھاتوں کی مد میں مثبت پیش رفت کے باوجود مقامی مارکیٹ میں فروخت کا رجحان رہا۔ جیسا کہ IMF نے 6 بلین امریکی ڈالر کی توسیعی فنڈ فیسلیٹی (EFF) کے ساتھ فوری طور پر 1 بلین امریکی ڈالر جاری کرنے کی منظوری دے دی۔ اس کے علاوہ، 3 بلین امریکی ڈالر منصوبہ کے تحت قطر سے 500 ملین امریکی ڈالر کی وصولی اور سعودی عرب سے 275 ملین امریکی ڈالر کی مالیت کے تیل کی ماہانہ فراہمی کا آغاز جولائی 2019ء میں ہوگیا۔ کاروبار کرنے کی لاگت میں اضافہ، سرمایہ کی بڑھتی قیمت، صارفین کی طلب میں کمی اور سرکاری شعبہ کے اخراجات میں کٹوتی جیسی سست رو معاشی سرگرمیوں نے مارکیٹ کی کارکردگی پر منفی اثر ڈالا۔ مالیاتی سال 2020ء کے لئے وفاقی بجٹ میں زبردست ٹیکس اصلاحات کا نفاذ اور دستاویزی معیشت کو اس کے قلیل مدتی منفی مضمرات کے ساتھ شکل دینے کے اقدام کی وجہ سے سرمایہ داروں کے جذبات پر بُرا اثر پڑا۔ آرٹیکل 370 کے خاتمہ کے بعد دوایٹمی ممالک انڈیا پاکستان کے درمیان تناؤ اور بھارتی مقبوضہ کشمیر میں کرفیو/ لاک ڈاؤن کے اطلاق کے باعث مارکیٹ شدید دباؤ کا شکار رہی۔

تاہم، وسط اگست میں اقتصادی اشارہ میں بہتری خاص طور پر مالی سال 2020 کے دوسرے ماہ میں کرنٹ اکاؤنٹ خسارہ میں 55 فی صد کمی واقع ہوئی اور یہ خسارہ 1.29 بلین امریکی ڈالر ہوگیا جسکی بدولت مارکیٹ نے اپنے انحطاطی نقطہ سے 14 فیصد کی مظبوط بحالی کا مظاہرہ کیا۔ انڈیکس میں تبدیلی کے بعد بڑھتے ہوئے افراط زر میں کچھ کمی واقع ہوئی جبکہ افراط زر میں اضافہ کے خدشات چھائے رہے۔ طویل مدتی حکومتی سیکیورٹیز میں منافع کے اضافہ کی وجہ سے سرمایہ داروں کو کچھ اطمینان ہوا۔ یہ سیکیورٹیز معاشی استحکام کے لئے متعارف کرائی گئیں جس کی وجہ سے مارکیٹ میں تحریک پیدا ہوئی۔ مجموعی طور پر KMI-30 انڈیکس نے زیر جائزہ سہ ماہی کے دوران 5.5 فی صد کی کمی کے ساتھ اختتام پذیر ہوا۔ زیر جائزہ مدت کے دوران انفرادی سرگرمی کو دیکھتے ہوئے غیر ملکی سرمایہ دار 23 ملین ڈالر مالیت کے ان فلوز کے ساتھ نمایاں خریدار رہے۔ مقامی سطح پر میوچل فنڈ نے 82 ملین ڈالر کی ایکوئیٹیز فروخت کیں جب کہ انفرادی سرمایہ داروں نے 49 ملین ڈالر کی سرمایہ داری کی۔

NBP اسلامک انرجی فنڈ کو اس مدت کے دوران 49.559 ملین روپے کا خسارہ ہوا۔ 4.941 ملین روپے کے اخراجات منہا کرنے کے بعد کل خسارہ 54.5 ملین روپے ہے۔
30 ستمبر 2019 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NIEF کی کارکردگی بمقابلہ بینچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے ہوئے مینجمنٹ 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 کمشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24 اکتوبر 2019
مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	Note	(Unaudited) 30 September 2019	(Audited) 30 June 2019
		(Rupees in '000)	
Assets			
Balances with banks		**42,684**	33,788
Investments	4	**484,047**	623,324
Dividend and profit receivable		**4,889**	421
Deposits and other receivable		**5,625**	5,604
Receivable against sale of investments		**-**	26,783
Preliminary expenses and floatation costs		**714**	830
Total assets		**537,959**	690,750
Liabilities			
Payable to NBP Fund Management Limited - Management Company		**5,051**	6,110
Remuneration payable to the Central Depository Company of Pakistan Limited - Trustee		**90**	132
Payable to Securities and Exchange Commission of Pakistan		**27**	1,132
Payable against redemption of units		**1,522**	-
Accrued expenses and other liabilities		**17,743**	17,340
Total liabilities		**24,433**	24,714
Net assets		**513,526**	666,036
Unit holders' fund		**513,526**	666,036
Contingencies and commitments	6		
		(Number of units)	
Number of units in issue		**60,951,101**	72,795,981
		(Rupees)	
Net assets value per unit		**8.4252**	9.1493

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended September 30 2019	Quarter Ended September 30 2018
		(Rupees in '000)	
Income			
Profit on bank deposits		**1,095**	4,093
Dividend income		**5,140**	13,322
Net loss on sale of investments		**(20,666)**	(8,224)
Net unrealised (diminution) on re-measurement as 'financial assets at fair value through profit or loss'		**(35,128)**	(59,979)
Total loss		**(49,559)**	(50,788)
Expenses			
Remuneration of Management Company		**2,099**	7,772
Sales tax on remuneration of Management Company		**273**	1,010
Accounting and operational charges		**133**	389
Selling and marketing expense	7	**1,384**	1,554
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**267**	641
Sindh Sales tax on remuneration of trustee		**35**	83
Annual fee - Securities and Exchange Commission of Pakistan		**27**	369
Settlement and bank charges		**221**	44
Securities and transaction cost		**222**	278
Amortization of formation cost		**114**	115
Listing Fee		**7**	7
Legal fee		**9**	-
Auditors' remuneration		**141**	83
Shariah Advisor fee		**9**	28
Total expenses		**4,941**	12,374
		(54,500)	(63,162)
Provision for Sindh Workers' Welfare Fund	5	**-**	-
Net loss for the period before taxation		**(54,500)**	(63,162)
Taxation	8	-	-
Net loss for the period after taxation		**(54,500)**	(63,162)
Allocation of net income for the period:			
Net income for the period after taxation		-	-
Income already paid on units redeemed		-	-
		-	-
Accounting income available for distribution			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
		-	**-**

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended	Quarter Ended
	September 30	
	2019	2018
	--------------- (Rupees in '000)	---------------
Net loss for the period after taxation	**(54,500)**	(63,162)
Other comprehensive income / (loss) for the period	**-**	-
Total comprehensive loss for the period	**(54,500)**	(63,162)

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30, 2019			Quarter Ended September 30, 2018		
	---------- Rupees in '000 ----------					
	Capital Value	Undistri-buted income	Total	Capital Value	Undistri-buted income	Total
Net assets at beginning of the period	608,471	57,565	666,036	1,229,320	417,863	1,647,183
Issue of 8,004,276 units (2018: 14,547,467 units)						
- Capital value	73,234	-	73,234	184,332	-	184,332
- Element of loss	(7,818)	-	(7,818)	(4,177)	-	(4,177)
Total proceeds on issuance of units	65,416	-	65,416	180,155		180,155
Redemption of 19,849,156 units (2018: 20,692,465 units)						
- Capital value	(181,606)	-	(181,606)	(262,196)	-	(262,196)
- Element of income	18,180	-	18,180	9,850	-	9,850
Total payments on redemption of units	(163,426)	-	(163,426)	(252,346)		(252,346)
Total comprehensive loss for the period	-	(54,500)	(54,500)	-	(63,162)	(63,162)
Distribution during the period	-	-	-	-	-	-
Net loss for the period less distribution	-	(54,500)	(54,500)	-	(63,162)	(63,162)
Net assets at end of the period	510,461	3,065	513,526	1,157,129	354,701	1,511,830
Undistributed income / (loss) brought forward						
- Realised income		209,700			459,033	
- Unrealised loss		(152,135)			(41,170)	
		57,565			417,863	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the period before taxation		(54,500)			(63,162)	
Distribution for the period		-			-	
Undistributed income carried forward		3,065			354,701	
Undistributed income carried forward						
- Realised income		3,065			414,680	
- Unrealised loss		-			(59,979)	
		3,065			354,701	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			9.1493			12.6711
Net assets value per unit at end of the period			8.4252			12.2069

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2019

	Quarter Ended September 30 2019	Quarter Ended September 30 2018
	------------ (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	**(54,500)**	(63,162)
Adjustments for non-cash charges and other items:		
Net unrealised diminution on re-measurement as 'financial assets at fair value through profit or loss'	**35,128**	59,979
Amortisation of preliminary expenses and flotation costs	**114**	115
	(19,258)	(3,068)
(Increase) / decrease in assets		
Investments	**130,933**	90,415
Dividend and profit receivable	**(4,468)**	(9,816)
Prepayments and other receivables	**(21)**	(21)
	126,444	80,578
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	**(1,058)**	1,532
Payable to the Central Depository Company of Pakistan Limited - Trustee	**(42)**	(22)
Payable to the Securities and Exchange Commission of Pakistan	**(1,105)**	(1,594)
Accrued expenses and other liabilities	**403**	(518)
	(1,802)	(602)
Net cash generated from operating activities	**105,384**	76,908
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	**65,416**	180,154
Payments on redemption of units	**(161,904)**	(252,346)
Net cash (used in) financing activities	**(96,488)**	(72,192)
Net increase in cash and cash equivalents during the period	**8,896**	4,716
Cash and cash equivalents at beginning of the period	**33,788**	235,501
Cash and cash equivalents at end of the period	**42,684**	240,217

The annexed notes 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Energy Fund (Formerly: NAFA Islamic Energy Fund) (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on March 28, 2016 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

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

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in diversified portfolio of Shariah compliant energy sector equity instruments. 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 30, 2019 (2018: AM1) to the Management Company. The Fund has not yet been rated.

The title to the assets of the Fund is held in the name of the CDC as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2019.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

	Note	Un-Audited As at September 30, 2019	Audited As at June 30, 2019
		(Rupees in '000)	
4 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
- Listed equity securities	*4.1*	**484,047**	623,324

4.1 Investments in shares of companies at fair value through profit or loss

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / right shares	Sales during the period	As at September 30, 2019	Market Value as at September 30, 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Nominal value as a percentage of Paid up capital of the investee company
	------------------------- Number of shares			-----------------------		(Rupees in '000)	-------------------------------%	-----------------------	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	96,415	4,100		9,320	91,195	81,999	15.97	16.94	0.01
Oil & Gas Development Company Limited	962,400	39,000		302,600	698,800	85,973	16.74	17.76	0.00
Pakistan Oilfields Limited	167,040	93,600		54,900	205,740	78,160	15.22	16.15	0.01
Pakistan Petroleum Limited	725,030	39,000		263,700	500,330	68,060	13.25	14.06	0.00
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	87,800			28,300	59,500	18,326	3.57	3.79	0.01
Hascol Petroleum Limited	59,258			59,258	-	-	-	-	-
Hi-Tech Lubricants Limited	323,700				323,700	8,416	1.64	1.74	0.03
Pakistan State Oil Company Limited	221,024	17,500		30,700	207,824	32,731	6.37	6.76	0.01
Shell (Pakistan) Limited	36,600			23,400	13,200	1,800	0.35	0.37	0.00
Sui Northern Gas Pipelines Limited	537,200	42,500		116,500	463,200	28,533	5.56	5.89	0.01
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	1,006,943	83,000		284,000	805,943	57,020	11.10	11.78	0.01
K-Electric Limited	2,552,500	680,000		636,000	2,596,500	9,219	1.80	1.90	0.00
Lalpir Power Limited	732,500	-		-	732,500	8,409	1.64	1.74	0.02
Nishat power limited	122,000			51,000	71,000	1,655	0.32	0.34	0.03
REFINERY									
National Refinery Limited	32,700	-	-	-	32,700	3,746	0.73	0.77	-
					6,802,132	484,047	94.26	100.00	
Carrying value as at September 30, 2019						519,175			

4.1.1 Investments include shares with market value of Rs. 59.7034 million (June 2019: Rs 65.563 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 SECP.

5 **PROVISION FOR SINDH WORKERS' WELFARE FUND**

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 14.051 million as at ended September 30, 2019 in this condensed interim financial information. Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 0.2305 per unit (June 30, 2019: Rs. 0.193 per unit).

6 **CONTINGENCIES AND COMMITMENTS**

There were no contingencies outstanding as at September 30, 2019 and June 30, 2019.

7 **SELLING AND MARKETING EXPENSES**

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.15% per anum of the net assets of the Fund.

8 **TAXATION**

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these consdensed interim financial statements.

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.

9 **TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 3.71% (2018: 3.19%) which includes 0.25% (2018: 0.38%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant equity scheme'.

10 **TRANSACTIONS WITH CONNECTED PERSONS**

10.1 Connected persons include NBP Fund Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and its connected persons and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

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

10.3 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 respectively.

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

	Un audited For the Quarter ended September 30, 2019	Un audited For the Quarter ended September 30, 2018
	(Rupees in '000)	
10.5 Details of the transactions with connected persons are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	**2,099**	7,772
Sindh sales tax on remuneration of the Management Company	**273**	1,010
Accounting and operational charges to the Management Company	**133**	389
Selling and marketing expense	**1,384**	1,554
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	**267**	641
Sindh sales tax on remuneration of Trustee	**35**	83
CDS Charges	**138**	46
Employees of Management Company		
Units Issued / Trasferred In: 416,405 units (2018: 9,931 units)	**3,274**	123
Units redeemed / transferred out: 428,355 units (2018: 294,549 units)	**3,376**	3,590
NBP Fund Management Limited		
Units Redeemed / Transferred Out: Nil Units (2018: 4,393,429 units)	**-**	53,377
Gul Ahmed Textile Mills Employees Provident Fund		
Units Issued / Trasferred In: Nil units (2018: 919,300 units)	**-**	11,500

	Un-audited As at September 30, 2019	Audited As at June 30, 2019
	(Rupees in '000)	
10.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Payable to the Management Company	**598**	1,165
Sindh sales tax on remuneration of Management Company	**78**	151
Federal excise duty on remuneration of Management Company	**583**	583
Front-end load payable	**610**	278
Sindh sales tax on front end load	**92**	49
Federal excise duty on front end load	**1,557**	1,557
Selling and marketing expense	**1,384**	1,849
Other Payable	**16**	16
Accounting and operational charges charged by the Management Company	**133**	462
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**80**	117
Sindh sales tax on the remuneration of trustee	**10**	15
Security deposit	**100**	100
Settlement charges	**103**	68

	Un-audited	Audited
	As at September 30, 2019	As at June 30, 2019
	(Rupees in '000)	
Summit Bank Limited (Common Directorship)		
Bank Balances	**1,686**	1,901
Bank Islami Pakistan Limited (Common Directorship)		
Bank balances	**26,821**	23,088
Profit receivable	**222**	410
Taurus Securities Limited - Subsidiary of Parent Company		
Brokerage payable	**10**	-
Portfolio managed by the Management Company		
Units held: 2,464,328 units (June 2019:1,404,508 units)	**20,762**	12,851
Employees of the Management Company		
Units held 46,938 units (June 2019: 58,888 units)	**395**	539

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019

12 GENERAL

12.1 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

12.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director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