NBP FUNDS
Managing Your Savings

NBP SARMAYA IZAFA FUND

AM1
Rated by PACRA

ANNUAL REPORT
2021

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. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

MCB Bank Limited	National Bank of Pakistan
Summit Bank Limited	Zarai Taraqiati Bank Limited
JS Bank Limited	MCB Islamic Bank Limited
Meezan Bank Limited	Faysal Bank Limited
Habib Bank Limited	Soneri Bank Limited
United Bank Limited	Dubai Islamic Bank Limited
Bank Alfalah Limited	Telenor Microfinance Bank Limited
Bank Al Habib Limited	Bank Islami Pakistan Limited
Askari Bank Limited	U Microfinance Bank Limited
Habib Metropolitan Bank Limited	The Bank of Punjab
Allied Bank Limited	First Microfinance 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:

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

Board of Directors

Dr. Amjad Waheed, CFA
Chief Executive Officer

Shaikh Muhammad Abdul Wahid Sethi
Chairman

Mr. Khalid Mansoor
Director

Mr. Humayun Bashir
Director

Mr. Tauqeer Mazhar
Director

Mr. Ali Saigol
Director

Mr. Saad Amanullah Khan
Director

Ms. Mehnaz Salar
Director

Mr. Imran Zaffar
Director

Senior Management

Dr. Amjad Waheed, CFA
Chief Executive Officer

Mr. Sajjad Anwar, CFA
Chief Investment Officer

Mr. Samiuddin Ahmed
Country Head Corporate Marketing

Mr. Ozair Khan
Chief Technology Officer

Mr. Salim S Mehdi
Chief Innovation & Strategy Officer

Mr. Muhammad Murtaza Ali
Chief Operating Officer & Company Secretary

Mr. Khalid Mehmood
Chief Financial Officer

Mr. Asim Wahab Khan, CFA
Deputy Chief Investment Officer

Syed Sharoz Mazhar, CFA
Head of Business & Sales Strategy

Mr. Salman Ahmed, CFA
Head of Fixed Income

Mr. Zulfiqar Ali, CFA
Head of Business Planning and Analytics

Mr. Hassan Raza, CFA
Head of Research

Mr. Waheed Abidi
Head of Internal Audit

Mr. Zaheer Iqbal, ACA FPFA
Head of Operations

Muhammad Imran, CFA, ACCA
Head of Portfolio Management

Syed Haseeb Ahmed Shah
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Eleventh Annual Report of **NBP Sarmaya Izafa Fund** for the year ended June 30, 2021.

Fund's Performance

After lackluster performance in FY20, the stock market (KSE-100 Index) delivered robust returns of 37.6% during FY2021, driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development & deployment of effective vaccines; and well-coordinated decisive policy response by the monetary and fiscal authorities. The rally at the local bourse picked up steam in 1HFY21 as valuable money entered the stock market. Robust economic recovery and strong earnings growth further lifted market sentiment. It merits mention that the stock market performance during FY21 was driven by the corporate earnings growth as the market still trades at an attractive Price-to-Earnings (P/E) multiple of 6.5x.

Although the country faced multiple waves of the Covid-19 during the year under review, the smart and targeted lockdowns allowed the economy to continue to operate uninterrupted. The economic recovery was gradual initially and it picked up pace supported by favorable fiscal and monetary policies. The economic growth rate for FY21 stood at 3.9% after GDP contraction of 0.5% during FY20. The frequently released economic data such as cement dispatches, retail fuels sales, electricity consumption and automobile sales volume also corroborated sharp economic rebound. Coronavirus-induced travel restrictions proved beneficial for the external account as workers' remittances registered a hefty 27% growth during FY2021, clocking-in at USD 29.4 billion. Resultantly, the country posted a Current Account Deficit (CAD) of USD 1.8 billion during FY21 versus USD 4.4 billion last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed. As a result the country secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market. Furthermore, the Roshan Digital Account (RDA) launched by the central bank to tap the diaspora was a resounding a success as the country attracted around USD 1.6 billion during the year.

In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Sugar, Transport and Pharmaceuticals sectors lagged behind. In term of participants-wise market activity, Individuals, Companies, and Other Organizations stood as main buyers in the market, with net inflows amounting to USD 332 million, USD 138 million and USD 45 million, respectively. On the other hand, Foreign Investors, Banks/DFIs and Broker Proprietary Trading were large sellers with net outflows of around USD 387 million, USD 95 million, and USD 32 million, respectively.

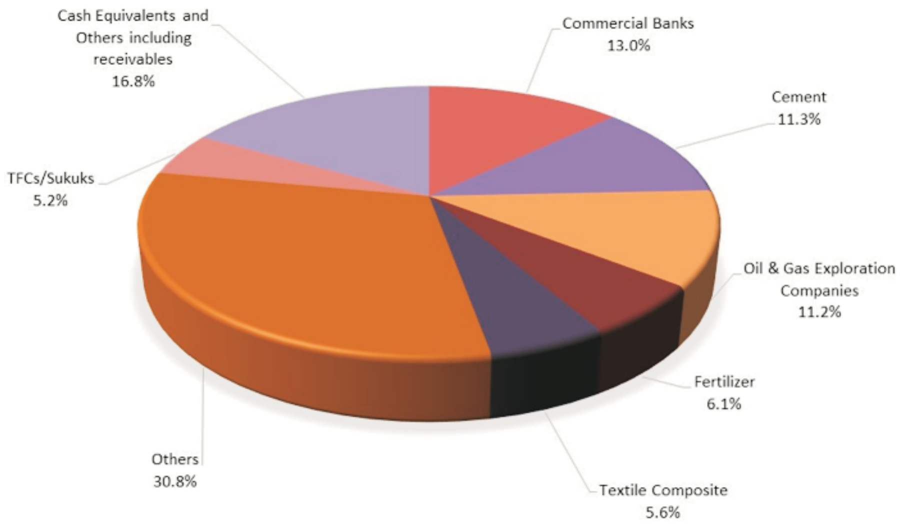
The trading activity in corporate debt securities remained subdued as the cumulative traded value stood at Rs. 21.8 billion. However, market witnessed fresh issuance of TFCs and Sukuks in the Power & Distribution and Banking sectors.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 15.2 trillion. Sovereign yields reflected the market expectation of the bottoming out of the interest rate and eventual reversal of the monetary easing cycle. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 19, 48 and 76 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 1.46%, 1.38%, and 1.25%, respectively.

During the fiscal year, NBP Sarmaya Izafa Fund increased by 19.6% versus 21.9% increase in the benchmark. Thus, the Fund underperformed the benchmark by 2.3% during the year. The drag on the Fund performance was lagged performance of its key holdings belonging Oil and Gas Exploration, Commercial Banks and Power Generation sectors which are at steep discount to their fundamentals values. We expect these stocks to regain the lost ground with the improvement in circular debt and hike in interest rates in the due course of time given their undemanding valuations. Since its launch (August 20, 2010), the Fund has risen by 293.2%, versus the benchmark return of 175.1%, thus to date outperformance is 118.1%. This outperformance is net of management fee and all other expenses. The Fund size is 1,454 million as of June 30, 2021.

NBP Sarmaya Izafa Fund has earned a total income of Rs. 308.20 million during the year. After deducting total expenses of Rs.60.42 million, the net income is Rs.247.78 million. During the year, the unit price of NBP Sarmaya Izafa Fund has increased from Rs.14.1273 (Ex-Div) on June 30, 2020 to Rs.16.8895 on June 30, 2021. The resultant per unit gain is Rs.2.7622 i.e. 19.6%.

The asset allocation of NBP Sarmaya Izafa Fund as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 4.13% of the opening ex-NAV (6.03% of the par value) for the year ended June 30, 2021.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021 provisioning against Sindh Workers' Welfare Fund by NBP SARMAYA IZAFA FUND amounting to Rs. 25.78 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP SARMAYA IZAFA FUND by 1.85% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Auditors

The present auditors, Messrs A. F. Ferguson & Co. Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2022.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.

2. Proper books of account of the Fund have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Fund's ability to continue as a going concern.

7. There has been no material departure from the best practices of Corporate Governance.

8. A performance table/ key financial data is given in this annual report.

9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.

10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 27 to these financial statements.

11. The detailed pattern of unit holding is disclosed in the note 24 to these financial statements.

12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.

13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2021, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Hasan Irtiza Kazmi 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

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: **September 16, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP سرمایہ اضافہ فنڈ کی گیارہویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 20 میں ناقص کارکردگی کے بعد (KSE-100 انڈیکس) نے اسٹاک مارکیٹ کی پُرکشش قیمتوں، توقع سے قبل کاروباری پابندیوں کے خاتمے اور تیز ترین معاشی بحالی، ڈویلپمنٹ اور مؤثر ویکسین کی تیاری اور تعیناتی اور مانیٹری اور فسکل حکام کی طرف سے مربوط کن فیصلہ سازی کے باعث مالی سال 2021 کے دوران 37.6% کا مستحکم منافع دیا ہے۔ مقامی اسٹاک مارکیٹ میں ریلی 1HFY21 میں بھرپور بڑھ گئی کیونکہ قابل قدر رقم اسٹاک مارکیٹ میں داخل ہوئی۔ مضبوط معاشی بحالی اور مضبوط آمدنی میں اضافے نے مارکیٹ کے جذبات کو مزید فروغ دیا۔ یہ بات قابل ذکر ہے کہ مالی سال 21 کے دوران اسٹاک مارکیٹ کی کارکردگی کارپوریٹ آمدنی میں اضافے سے کارفرماتھی کیونکہ مارکیٹ اب بھی 6.5x گنا کی پرکشش Price-to-Earning (P/E) پر تجارت کرتی ہے۔

اگرچہ ملک کو زیرِ جائزہ سال کے دوران کوویڈ 19 کی متعدد لہروں کا سامنا کرنا پڑا، لیکن سمارٹ اور ٹارگٹڈ لاک ڈاؤن نے معیشت کو بغیر کسی رکاوٹ کے جاری رکھا۔ معاشی بحالی شروع میں بتدریج تھی اور سازگار مالیاتی اور مانیٹری پالیسیوں کی مدد سے اس کی رفتار تیز ہوگئی۔ مالی سال 20 کے دوران جی ڈی پی میں 0.5 فیصد کی کمی کے بعد مالی سال 21 کی معاشی ترقی کی شرح 3.9 فیصد رہی۔ اکثر جاری ہونے والے معاشی اعداد و شمار جیسے کہ سیمنٹ کی ترسیل، خوردہ ایندھن کی فروخت، بجلی کی کھپت اور آٹوموبائل کی فروخت کا حجم بھی تیز معاشی بحالی کی تصدیق کرتا ہے۔ کورونا وائرس سے متاثرہ سفری پابندیاں بیرونی اکاؤنٹ کے لیے فائدہ مند ثابت ہوئیں کیونکہ مالی سال 2021 کے دوران بیرونِ ملک کام کرنے والے ملازمین کے ترسیلات زر میں 27 فیصد اضافہ ریکارڈ کیا گیا، جو کہ 29.4 بلین امریکی ڈالر ہے۔ نتیجتاً ملک نے مالی سال 21 کے دوران 1.8 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) درج کیا جو گزشتہ سال 4.4 بلین امریکی ڈالر تھا۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ایف ایف) جو کہ گزشتہ سال اپریل میں روک دی گئی تھی، آخر کار دوبارہ بحال ہوگئی۔ اس کے نتیجے میں ملک نے آئی ایم ایف کی تقریباً 500 ملین امریکی ڈالر کی قسط حاصل کرلی۔ آئی ایم ایف پروگرام کی بحالی نے ملک کو بین الاقوامی ڈیبٹ مارکیٹ میں یورو بانڈز جاری کر کے 2.5 بلین امریکی ڈالر قرض لینے کی اجازت دی۔ مزید برآں، سنٹرل بینک کی جانب سے پردیسوں کو مستفید کرنے کے لیے شروع کیا گیا روشن ڈیجیٹل اکاؤنٹ (آر ڈی اے) ایک شاندار کامیابی تھی کیونکہ ملک نے سال کے دوران تقریباً 1.6 بلین امریکی ڈالر کا زرِ مبادلہ حاصل کیا۔

شعبہ وار کارکردگی کے تناظر میں آٹو اسمبلرز، سیمنٹ، کیمیکلز، انجینئرنگ، گلاس اینڈ سرامکس، تیل اور گیس مارکیٹنگ کمپنیوں، کاغذ اور بورڈ، بجلی کی پیداوار اور تقسیم، ریفائنری، ٹیکنالوجی، اور ٹیکسٹائل کمپوزٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اسکے برعکس کھادیں، خوراک اور ذاتی نگہداشت، انشورنس، تیل اور گیس ایکسپلوریشن چینی، ٹرانسپورٹ اور فارماسیوٹیکلز مارکیٹ سے پیچھے رہ گئے۔ مارکیٹ میں شرکاء وار سرگرمی کے لحاظ سے، انفرادی سرمایہ کار، کمپنیاں، اور دیگر آرگنائزیشنز بالترتیب 332 ملین امریکی ڈالر، 138 ملین امریکی ڈالر اور 45 ملین امریکی ڈالر کے خالص آمد کے ساتھ مارکیٹ میں بڑے خریدار رہے۔ دوسری طرف، غیر ملکی سرمایہ کار، بینک / DFIs اور بروکر پروپرائیٹری ٹریڈنگ بالترتیب تقریباً 387 ملین امریکی ڈالر، 95 ملین امریکی ڈالر اور 32 ملین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں اہم فروخت کار رہے۔

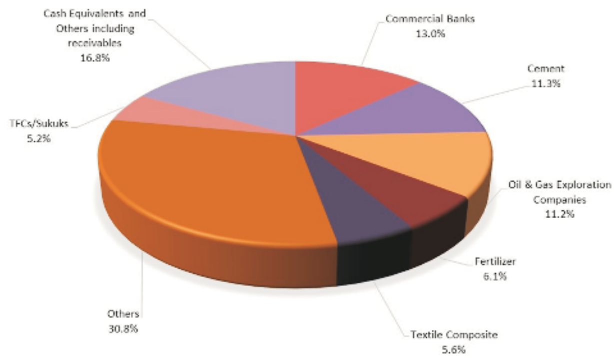
کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی کم رہی کیونکہ مجموعی تجارتی قدر 21.8 بلین روپے رہی۔ تاہم، مارکیٹ نے پاور اینڈ ڈسٹری بیوشن اور بینکنگ سیکٹرز میں TFCs اور سکوکس کے نئے اجراء کا مشاہدہ کیا۔

سی پی آئی (CPI) کی پیمائش کردہ افراطِ زر بنیادی طور پر خوراک کی قیمتوں میں اضافہ کی وجہ سے مالی سال 21 میں 8.9 فیصد تک بلند رہا۔ مالی سال 21 کے دوران اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مانیٹری پالیسی کمیٹی (ایم پی سی) کے پانچ اجلاس منعقد کیے اور بینچ مارک پالیسی کی شرح کو 7 فیصد پر برقرار رکھا۔ افراط زر میں اضافے کے باوجود، اسٹیٹ بینک نے معیشت میں نمایاں سست روی اور معاشی بحالی کو ملک میں بڑھتے ہوئے کورونا وائرس کیسز سے پیدا ہونے والے خطرات کے حوالہ سے مانیٹری پالیسی کے مؤثر موقف کو جاری رکھا۔ SBP نے چھبیس (26) ٹی بل نیلامیاں منعقد کیں، جس سے کل 15.2 ٹریلین روپے حاصل کئے۔ حکومتی منافع شرح سود کی کم ترین سطح اور مانیٹری آسانی کے سائیکل کو ختم کرنے کے توقع کی عکاسی کرتا ہے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی ٹی بلز منافع میں بالترتیب 19، 48 اور 76 بیسز کا اضافہ ہوا۔ اسی طرح 3 سالہ، 5 سالہ، اور 10 سالہ PIBs منافع میں بالترتیب 1.46%، 1.38% اور 1.25% تک کا اضافہ ہوا۔

زیر جائزہ مالی سال کے دوران، NBP سرمایہ اضافہ فنڈ 21.9% بنچ مارک اضافہ کے مقابلے میں 19.6% تک زیادہ ہوا۔ لہٰذا زیر جائزہ مالی سال کے دوران فنڈ نے اپنے بنچ مارک سے 2.3% کی ابتر کارکردگی دکھائی۔ فنڈ کی یہ خراب کارکردگی تیل وگیس ایکسپلوریشن، کمرشل بینکوں اور پاور جنریشن سیکٹرز میں کلیدی ہولڈنگز کی خراب کارکردگی کے باعث رہی جو کہ اپنی بنیادی قیمتوں سے سخت رعایت پر ہیں۔ ہم توقع کرتے ہیں کہ یہ اسٹاک سرکلر ڈیٹ میں بہتری کے ساتھ اور مقررہ وقت میں سود کی شرح میں اضافے کو ان غیر ضروری قیمتوں کے پیش نظر کھوئے ہوئے مقام کو دوبارہ حاصل کرلیں گے۔ اپنے آغاز (20 اگست 2010) سے، فنڈ نے 175.1% بینچ مارک منافع کے مقابلے میں 293.2% کا منافع کمایا، چنانچہ زیر جائزہ سال تک فنڈ نے 118.1% کی بہتر کارکردگی دیکھائی۔ یہ کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کا سائز 30 جون 2021 کو 1,454 ملین ہے۔

NBP سرمایہ اضافہ فنڈ کو سال کے دوران 308.20 ملین روپے کی مجموعی آمدنی ہوئی۔ 60.42 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 247.78 ملین روپے ہے۔ سال کے دوران این بی پی سرمایہ اضافہ فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 14.1273 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 16.8895 روپے ہوگئی، جس کے نتیجے فی یونٹ منافع 2.7622 روپے یعنی 19.6% ہے۔

30 جون 2021 کو این بی پی سرمایہ اضافہ فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 4.13% (بنیادی قدر کا 6.03%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

سندھ ورکرز ویلفیئر فنڈ (SWWF)

مورخہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوچل فنڈز ایسوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے NBP سرمایہ اضافہ فنڈ میں ریکارڈ کی گئی 25.78 ملین روپے ورکرز ویلفیئر فنڈ کی پروویژننگ کو 13 اگست 2021 ریورس کردیا گیا۔ پروویژن کی اس ریورسل کے باعث NBP سرمایہ اضافہ فنڈ کی NAV میں 1.85% کا غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوگئے ہیں اور اہل ہونے کی بناء پر 30 جون 2022 کو ختم ہونے والے سال کے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

•1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔

•2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

•3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

•4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔

•5 انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔

•6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک وشبہات نہیں ہیں۔

•7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلوتہی نہیں کی گئی۔

•8 پرفارمنس ٹیبل/اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔

•9 ٹیکسوں، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کردی گئی ہیں۔

•10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 27 میں ظاہر کی گئی ہے۔

•11 یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 26 میں ظاہر کیا گیا ہے۔

•12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید وفروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔

•13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2021 کو بورڈ آف ڈائریکٹرز درجہ ذیل ارکان پر مشتمل ہیں

کیٹگری	نام
غیر جانبدار ڈائریکٹرز	•1 جناب خالد منصور •2 جناب سعد امان اللہ خان •3 جناب ہمایوں بشیر
ایگزیکٹو ڈائریکٹر	ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)
نان ایگزیکٹو ڈائریکٹرز	•1 شیخ محمد عبدالواحد سیٹھی (چیئرمین) •2 سید حسن ارتضی کاظمی •3 محترمہ مہناز سالار •4 جناب علی سیگل •5 جناب عمران ظفر

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 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: 16 ستمبر 2021ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Sarmaya Izafa Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2021

FUND MANAGER REPORT

NBP Sarmaya Izafa Fund

NBP Sarmaya Izafa Fund (NSIF) is an Open-ended Asset Allocation Fund.

Investment Objective of the Fund

Objective of NSIF is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities.

Benchmark

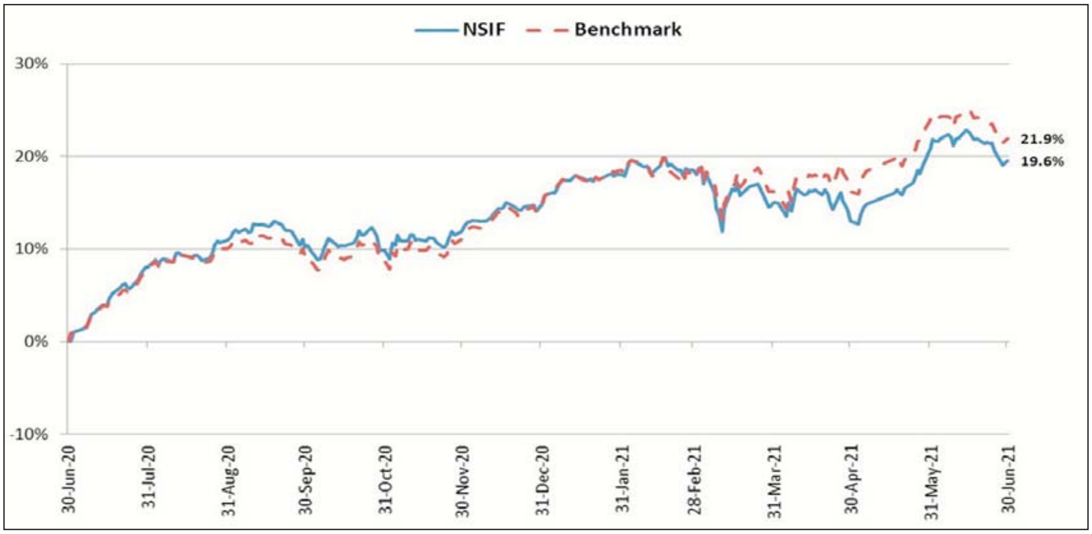
Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation, effective from September 01, 2016.Previously 1/3 of average 3-month bank deposit rate; 1/3 of 6-month KIBOR; 1/3 of KSE-30 Index Total Return.

Fund Performance Review

This is the eleventh annual report of the Fund. During the fiscal year, NBP Sarmaya Izafa Fund increased by 19.6% versus 21.9% increase in the benchmark. Thus, the Fund underperformed the benchmark by 2.3% during the year. Since its launch (August 20, 2010), the Fund has risen by 293.2%, versus the benchmark return of 175.1%, thus to date outperformance is 118.1%. This outperformance is net of management fee and all other expenses. Thus, NSIF has met its investment objective. During the year, the fund size of NSIF increased by 16% to Rs. 1,454 mln.

NSIF underperformed during the year as the Fund was overweight in key stocks in Commercial Banks, Oil & Gas Exploration Companies, and Engineering sectors that underperformed the market and underweight in key stocks in Technology & Communication, Fertilizer and Cement, sectors that outperformed the market, which contributed to the underperformance. The chart below shows the performance of NSIF against the Benchmark for the year. The chart below shows the performance of NAAF against the Benchmark for the year.

NSIF Performance vs. Benchmark during FY21



At the start of the year, NSIF was around 51.6% invested in equities. During the year, we altered the allocation of the Fund based on our view on the relative performance of different asset classes. Towards the end of the year, the allocation in equities was around 78.0%. After lackluster performance in FY20, the stock market (KSE-100 Index) delivered robust returns of 37.6% during FY2021, driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development & deployment of effective vaccines; and well-coordinated and decisive policy response by the monetary and fiscal authorities. The rally at the local bourse picked up steam in 1HFY21 as value money entered the stock market. Robust economic recovery and strong earnings growth further lifted market sentiment. It merits mention that the stock market performance during FY21 was driven by the corporate earnings growth as the market still trades at an attractive Price-to-Earnings (P/E) multiple of 6.5x.

Although the country faced multiple waves of the Covid-19 during the year under review, the smart and targeted lockdowns allowed the economy to continue to operate uninterrupted. The economic recovery was gradual initially and it picked up pace supported by favorable fiscal and monetary policies. The economic growth rate for FY21 stood at 3.9% after GDP contraction of 0.5% during FY20. The frequently released economic data such as cement dispatches, retail fuels sales, electricity consumption and automobile sales volume also corroborate sharp economic rebound. Coronavirus-induced travel restrictions proved beneficial for the external account as workers' remittances registered a hefty 27% growth during FY2021, clocking-in at USD 29.4 billion. Resultantly, the country posted a Current Account Deficit (CAD) of USD 1.8 billion during FY21 versus a CAD of USD 4.4 billion last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the country secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market. Furthermore, the Roshan Digital Account (RDA) launched by the central bank to tap the diaspora was a resounding a success as the country attracted around USD 1.6 billion during the year.

In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Sugar, Transport and Pharmaceuticals sectors lagged behind. On participants-wise market activity, Individuals, Companies, and Other Organizations stood as main buyers in the market, with net inflows amounting to USD 332 million, USD 138 million and USD 45 million, respectively. On the other hand, Foreign Investors, Banks/DFIs and Broker Proprietary Trading were large sellers with net outflows of around USD 387 million, USD 95 million, and USD 32 million, respectively.

The trading activity in corporate debt securities remained subdued as the cumulative traded value stood at Rs. 21.8 billion. However, market witnessed fresh issuance of TFCs and Sukuks in the Power & Distribution and Banking sectors.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 15.2 trillion. Sovereign yields reflected the market expectation of the bottoming out of the interest rate and eventual reversal of the monetary easing cycle. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 19, 48 and 76 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 1.46%, 1.38%, and 1.25%, respectively.

Asset Allocation of the Fund (% of NAV)

Particulars	**30-Jun-21**	**30-Jun-20**
Equities / Stocks	78.0%	51.6%
TFCs / Sukuks	5.2%	4.1%
Cash Equivalents	19.8%	57.6%
Other Net Liabilities	(3.0%)	(13.3%)
Total	**100.0%**	**100.0%**

Distribution for the Financial Year 2021

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	6.03%	17.7573	17.1539

Unit Holding Pattern of NBP Sarmaya Izafa Fund as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	114
1-1000	340
1001-5000	169
5001-10000	104
10001-50000	260
50001-100000	113
100001-500000	97
500001-1000000	13
1000001-5000000	10
5000001-10000000	3
Total	**1,223**

During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated in the report. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 25.55 Million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 0.30 / 2.1%. For details investors are advised to read note 11.1 of the Financial Statements of the Scheme for the year ended June 30, 2021.

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NBP Sarmaya Izafa Fund amounting to Rs. 25.78 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Sarmaya Izafa Fund by 1.85% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Sarmaya Izafa Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Sarmaya Izafa Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value** (Refer notes 4 and 5 to the annexed financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2021 amounted to Rs. 291.618 million and Rs. 1,209.78 million respectively. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures included the following: • tested the design and operating effectiveness of the key controls for valuation of investments; • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies;

S. No.	Key Audit Matter	How the matter was addressed in our audit
		• obtained approval of the Board of Directors of the Management Company in relation to closing of bank accounts; and • obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Matter

The financial statements of the Fund for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who had expressed an unqualified opinion thereon vide their report dated September 30, 2020.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2021

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		--------- Rupees in '000 ---------	
ASSETS			
Bank balances	4	291,618	619,145
Investments	5	1,209,780	701,053
Profit and dividend receivable	6	1,177	2,869
Receivable against sale of investments		-	2,563
Receivable against issuance of units		8,908	9,587
Advance against IPO subscription		8,275	-
Deposits, prepayments and other receivables	7	3,415	3,405
Total assets		1,523,173	1,338,622
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	29,617	31,677
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	230	210
Payable to the Securities and Exchange Commission of Pakistan	10	287	275
Payable against redemption of units		302	13,856
Payable against purchase of investments		5,955	-
Accrued expenses and other liabilities	11	32,735	34,162
Total liabilities		69,126	80,180
NET ASSETS		1,454,047	1,258,442
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,454,047	1,258,442
CONTINGENCIES AND COMMITMENTS	12		
		------------Number of units----------	
NUMBER OF UNITS IN ISSUE	13	86,091,518	86,051,906
		-----------------Rupees-----------------	
NET ASSET VALUE PER UNIT	14	16.8895	14.6242

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		------- Rupees in '000 -------	
INCOME			
Profit on bank balances		14,694	44,462
Income on term deposit receipts		-	5,915
Income on corporate sukuk certificates		5,373	6,877
Income on government securities		26,005	11,376
Dividend income		43,320	48,721
Gain on sale of investments - net		40,799	24,683
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4	178,012	7,748
		218,811	32,431
Total income		308,203	149,782
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	8.1	21,509	20,922
Sindh Sales Tax on remuneration of the Management Company	8.2	2,796	2,720
Allocated expenses	8.4	1,931	1,377
Selling and marketing expenses	8.5	23,094	17,131
Remuneration of Central Depository Company of Pakistan Limited -Trustee	9.1	2,434	2,377
Sindh Sales Tax on remuneration of the Trustee	9.2	316	309
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	287	275
Securities transaction costs		1,334	1,332
Settlement and bank charges		470	854
Auditors' remuneration	15	733	712
Legal and professional charges		151	130
Annual rating fee		245	232
Annual listing fee		25	27
Printing charges		37	50
Total expenses		55,362	48,448
Net income from operating activities		252,841	101,334
Provision for Sindh Workers' Welfare Fund	11.1	(5,057)	(2,027)
Net income for the year before taxation		247,784	99,307
Taxation	17	-	-
Net income for the year after taxation		247,784	99,307
Allocation of net income for the year			
Net income for the period after taxation		247,784	99,307
Income already paid on units redeemed		(65,997)	(5,238)
		181,787	94,069
Accounting income available for distribution			
- Relating to capital gains		160,543	29,086
- Excluding capital gains		21,244	64,983
		181,787	94,069

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----------- Rupees in '000 -----------	
Net income for the year after taxation	247,784	99,307
Other comprehensive income	-	-
Total comprehensive income for the year	247,784	99,307

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----------------------	---------- (Rupees in '000)	----------	----------	----------	----------------------
Net assets at the beginning of the year	689,515	568,927	1,258,442	1,217,096	552,301	1,769,397
Issue of 54,918,949 units (2020: 28,829,834 units)						
- Capital value (at ex-net asset value per unit)	803,146	-	803,146	416,946	-	416,946
- Element of income	116,524	-	116,524	38,596	-	38,596
Total proceeds on issue of units	919,670	-	919,670	455,542	-	455,542
Redemption 54,879,337 of units (2020: 65,123,172 units)						
- Capital value (at ex-net asset value per unit)	(802,566)		(802,566)	(941,831)	-	(941,831)
- Element of loss	(53,300)	(65,997)	(119,297)	(35,842)	(5,238)	(41,080)
Total payments on redemption of units	(855,866)	(65,997)	(921,863)	(977,673)	(5,238)	(982,911)
Total comprehensive income for the year	-	247,784	247,784	-	99,307	99,307
Cash distribution during the year ended June 30, 2020						
- @ Re. 1.0216 per unit (Date of declaration: June 23, 2020)	-	-	-	(5,450)	(77,443)	(82,893)
Cash distribution during the year ended June 30, 2021						
- @ Re. 0.6034 per unit (Date of declaration: June 25, 2021)	(9,984)	(40,002)	(49,986)	-	-	-
Net assets at end of the year	743,335	710,712	1,454,047	689,515	568,927	1,258,442
Undistributed income brought forward						
- Realised		561,179			753,682	
- Unrealised		7,748			(201,381)	
		568,927			552,301	
Accounting income available for distribution						
- Relating to capital gain		160,543			29,086	
- Excluding capital gains		21,244			64,983	
		181,787			94,069	
Distribution during the year		(40,002)			(77,443)	
Undistributed income carried forward		710,712			568,927	
Undistributed income carried forward						
- Realised		532,700			561,179	
- Unrealised		178,012			7,748	
		710,712			568,927	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		14.6242			14.4623	
Net assets value per unit at the end of the year		16.8895			14.6242	

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		----------- Rupees in '000 -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		247,784	99,307
Adjustments:			
Profit on bank balances		(14,694)	(50,377)
Income on corporate sukuk certificates		(5,373)	(6,877)
Income on government securities		(26,005)	(11,376)
Dividend income		(43,320)	(48,721)
Provision for Sindh Workers' Welfare Fund		5,057	2,027
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4	(178,012)	(7,748)
		(262,347)	(123,072)
(Increase) / decrease in assets			
Investments - net		(322,197)	418,918
Advance against IPO subscription		(8,275)	-
Deposits, prepayments and other receivables		(10)	(12)
		(330,482)	418,906
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		(2,060)	966
Payable to Central Depository Company of Pakistan Limited - the Trustee		20	(72)
Payable to the Securities and Exchange Commission of Pakistan		12	(2,276)
Accrued expenses and other liabilities		(6,484)	12,475
		(8,512)	11,093
Profit received on bank balances, corporate sukuk certificates and government securities		47,781	68,033
Dividend received		43,303	48,924
		91,084	116,957
Net cash (used in) / generated from operating activities		(262,473)	523,191
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units - net of refund of element		910,365	445,955
Amounts paid against redemption of units		(935,417)	(969,055)
Distributions pay-out		(40,002)	(82,893)
Net cash used in financing activities		(65,054)	(605,993)
Net decrease in cash and cash equivalents during the year		(327,527)	(82,802)
Cash and cash equivalents at the beginning of the year		619,145	701,947
Cash and cash equivalents at the end of the year	4	291,618	619,145

The annexed notes from 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Sarmaya Izafa Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 29, 2010 and was approved by Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010.

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

The Fund has been categorised as an open ended asset allocation scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 20, 2010 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to generate income by investing in debt and money market securities and to generate capital appreciation by investing in equity and equity related securities. The Fund also undertakes transactions under margin trading system.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 (2020: AM1 on June 24, 2020) on June 23, 2021. The rating reflects the Management Company’s experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of "3-Star" to the Fund dated August 28, 2020 (2020: "3-Star" dated February 28, 2020).

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

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act “Sindh Trusts Act, 2020” (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 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 Standards) 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 Regulation) Rules, 2003 (the NBFC Rules), 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 requirements of the Trust Deed differ with the requirements of IFRS, 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.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation (notes 3.2 and 5), provision for Sindh Workers' Welfare Fund (note 11.1), provision for taxation (notes 3.13 and 17) and provision for Federal Excise Duty (note 8.3).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been applied consistently to all the years presented unless otherwise stated.

3.1 Cash and cash equivalents

Cash comprises current and savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income “(FVOCI)”
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the “Statement of Assets and Liabilities” at fair value, with gains and losses recognised in the “Income Statement”.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with it's financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

3.3.1 Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company/ distributors receive redemption application during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.

- "Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise."

- Income from investments in government securities and corporate sukuk certificates is recognised on an accrual basis using effective interest method.

- Profit on bank balances is recognised on an accrual basis.

- Dividend income is recognised when the right to receive the dividend is established.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.12 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

3.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 18.

4 BANK BALANCES	**Note**	**2021**	**2020**
		-----------Rupees in '000-----------	
- Savings accounts	4.1	287,867	607,955
- Current accounts	4.2	3,751	11,190
		291,618	619,145

4.1 This includes balances of Rs. 0.088 million (2020: Nil), Rs 1.995 million (2020: Rs 3.496 million), Rs 0.003 million (2020: Nil) and Rs 0.013 million (2020: Nil) maintained with National Bank of Pakistan, Bank Islami Pakistan Limited, Telenor Microfinance Bank Limited and Khushhali Bank Limited (related parties) respectively that carries profit at the rate of 5% (2020: 5%) per annum, 6.25% (2020: 6.25%) per annum, 5.5% (2020: Nil) per annum and 8.5% (2020: Nil) per annum respectively. Other savings accounts of the Fund carry profit at the rate ranging from 5% to 7.75% per annum (2020: 6.50% to 15.30% per annum).

4.2 This includes a balance of Rs. 1.560 million and Rs Nil (2020: Rs. 8.866 million and Rs 2.323 million), maintained with National Bank of Pakistan and Summit Bank Limited (related party).

5 INVESTMENTS	**Note**	**2021**	**2020**
		-----------Rupees in '000-----------	
At fair value through profit or loss			
Listed equity securities	5.1	1,133,695	649,981
Government securities - Market Treasury Bills	5.2	-	-
Corporate sukuk certificates	5.3	76,085	51,072
		1,209,780	701,053

5.1 Listed equity securities

Shares of listed companies - fully paid up ordinary shares with a face value of Rs 10 each unless otherwise stated.

Name of the Investee Company	Number of shares held					Market value as at June 30, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2020	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2021		Total market value of Investments	Net assets of the Fund	
							---------------------- % ----------------------		
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited (note 5.1.2)	58,008	114,300	-	3,600	168,708	37,833	3.13%	2.60%	0.04%
Hascol Petroleum Limited (note 5.1.2) *	1,861	-	-	-	1,861	17	-	-	-
Attock Petroleum Limited	15,400	9,100	-	2,000	22,500	7,223	0.60%	0.50%	0.02%
Sui Northern Gas Pipelines Limited*	75,700	27,500	-	73,500	29,700	1,443	0.12%	0.10%	-
						46,516	3.85%	3.20%	
OIL AND GAS EXPLORATION COMPANIES									
Oil & Gas Development Company Limited	239,400	339,500	-	67,100	511,800	48,636	4.02%	3.34%	0.01%
Pakistan Oilfields Limited	13,120	27,800	-	3,300	37,620	14,817	1.22%	1.02%	0.01%
Pakistan Petroleum Limited	323,569	263,400	-	40,600	546,369	47,441	3.92%	3.26%	0.02%
Mari Petroleum Company Limited	34,790	820	-	1,500	34,110	51,998	4.30%	3.58%	0.03%
						162,892	13.46%	11.20%	
FERTILIZER									
Engro Corporation Limited	97,070	63,500	-	19,100	141,470	41,678	3.45%	2.87%	0.02%
Fauji Fertilizer Bin Qasim Limited *	173,500	473,500	-	173,500	473,500	12,505	1.03%	0.86%	-
Engro Fertilizers Limited *	153,000	23,000	-	157,000	19,000	1,335	0.11%	0.09%	-
Fauji Fertilizer Company Limited - a related party	364,500	61,800	-	119,500	306,800	32,551	2.69%	2.24%	0.02%
						88,069	7.28%	6.06%	
ENGINEERING									
Mughal Iron and Steel Industries Limited	477,500	90,000	38,560	326,500	279,560	29,186	2.41%	2.01%	0.11%
International Steels Limited - a related party *	85,300	28,299	-	86,700	26,899	2,513	0.21%	0.17%	-
Agha Steel Industries Limited	-	629,500	-	277,000	352,500	11,890	0.98%	0.82%	0.06%
Aisha Steel Mills Limited	-	55,000	-	-	55,000	1,370	0.11%	0.09%	0.01%
Amreli Steels Limited	-	161,500	-	-	161,500	7,016	0.58%	0.48%	0.03%
International Industries Limited *	-	4,100	-	-	4,100	865	0.07%	0.06%	-
						52,840	4.36%	3.63%	
CEMENT									
Kohat Cement Company Limited	127,950	64,000	-	15,000	176,950	36,539	3.02%	2.51%	0.09%
Fauji Cement Company Limited	400,500	502,000	-	148,000	754,500	17,354	1.43%	1.19%	0.05%
Maple Leaf Cement Factory Limited	-	346,500	-	128,500	218,000	10,242	0.85%	0.70%	0.02%
D.G. Khan Cement Company Limited	42,000	127,500	-	42,500	127,000	14,976	1.24%	1.03%	0.03%
Lucky Cement Limited	93,300	33,100	-	35,600	90,800	78,400	6.48%	5.39%	0.03%
Cherat Cement Company Limited	-	47,500	-	9,200	38,300	6,794	0.56%	0.47%	0.01%
						164,305	13.58%	11.29%	
PAPER & BOARD									
Packages Limited	14,000	-	-	7,800	6,200	3,380	0.28%	0.23%	0.01%
Century Paper & Board Mills Limited	198,500	-	21,900	116,500	103,900	12,683	1.05%	0.87%	0.06%
Roshan Packages Limited	-	105,000	-	10,000	95,000	3,129	0.26%	0.22%	0.07%
						19,192	1.59%	1.32%	

Name of the Investee Company	Number of shares held					Market value as at June 30, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2020	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2021		Total market value of Investments	Net assets of the Fund	
							----------------------- % -----------------------		
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	15,900	6,650	2,625	1,550	23,625	25,506	2.11%	1.75%	0.05%
Honda Atlas Cars (Pakistan) Limited *	35,100	3,800	-	35,100	3,800	1,314	0.11%	0.09%	-
Indus Motor Company Limited *	969	-	-	-	969	1,215	0.10%	0.08%	-
Pak Suzuki Motors Company Limited *	-	26,500	-	-	26,500	9,419	0.78%	0.65%	-
						37,454	3.10%	2.57%	
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	-	284,000	-	-	284,000	9,957	0.82%	0.68%	0.31%
						9,957	0.82%	0.68%	
TRANSPORT									
Pakistan International Bulk Terminal Limited	-	71,000	-	-	71,000	808	0.07%	0.06%	0.08%
						808	0.07%	0.06%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	94,250	-	6,175	32,500	67,925	38,053	3.15%	2.62%	0.06%
NetSol Technologies Limite	84,500	-	-	84,500	-	-	-	-	-
TPL Trakker Limited	-	333,500	-	10,000	323,500	5,664	0.47%	0.39%	0.17%
Avanceon Limited	-	17,500	3,500	-	21,000	1,925	0.16%	0.13%	0.01%
						45,642	3.78%	3.14%	
TEXTILE COMPOSITE									
Nishat Mills Limited	180,000	88,500	-	33,500	235,000	21,926	1.81%	1.51%	0.07%
Interloop Limited	162,177	66,500	-	36,000	192,677	13,493	1.12%	0.93%	0.02%
Kohinoor Textile Mills Limited (note 5.1.2)	246,194	79,500	-	70,500	255,194	19,191	1.59%	1.32%	0.09%
Gul Ahmed Textile Mills Limited - a related party	438,560	50,000	44,712	265,000	268,272	13,609	1.12%	0.94%	0.06%
Nishat (Chunian) Limited	65,500	205,500	-	16,500	254,500	12,799	1.06%	0.88%	0.11%
Crescent Textile Mills Limited *	-	1,500	-	-	1,500	41	-	-	-
						81,059	6.70%	5.58%	
PHARMACEUTICALS									
The Searle Company Limited	9,415	51,600	7,158	6,000	62,173	15,084	1.25%	1.04%	0.03%
AGP Limited	10,000	95,000	-	-	105,000	12,320	1.02%	0.85%	0.04%
Highnoon Laboratories Limited	8,954	3,800	825	4,500	9,079	5,448	0.45%	0.37%	0.03%
Glaxo SmithKline Healthcare Pakistan Limited	-	3,500	-	-	3,500	875	0.07%	0.06%	0.01%
IBL HealthCare Limited	-	30,500	-	3,000	27,500	3,056	0.25%	0.21%	0.08%
						36,783	3.04%	2.53%	
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited - a related party	572,687	177,992	-	130,600	620,079	49,402	4.08%	3.40%	0.05%
Lalpir Power Limited	756,000	-	-	420,000	336,000	6,001	0.50%	0.41%	0.09%
K-Electric Limited **	625,000	-	-	625,000	-	-	-	-	-
Pakgen Power Limited	274,500	-	-	74,000	200,500	4,944	0.41%	0.34%	0.05%
Saif Power Limited	93,000	-	-	-	93,000	1,613	0.13%	0.11%	0.02%
						61,960	5.12%	4.26%	

Name of the Investee Company	Number of shares held					Market value as at June 30, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2020	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2021		Total market value of Investments	Net assets of the Fund	
							---------------------- % ----------------------		
COMMERCIAL BANKS									
Allied Bank Limited	37,200	-	-	-	37,200	2,758	0.23%	0.19%	-
Bank Al-Falah Limited	872,450	179,500	-	-	1,051,950	33,852	2.80%	2.33%	0.06%
Bank of Punjab	369,500	-	-	369,500	-	-	-	-	-
Bank Al Habib Limited	438,150	52,000	-	21,500	468,650	32,862	2.72%	2.26%	0.04%
Faysal Bank Limited (note 5.1.2) *	46,145	205,000	-	-	251,145	4,262	0.35%	0.29%	-
Habib Bank Limited	350,567	132,600	-	-	483,167	59,126	4.89%	4.07%	0.03%
MCB Bank Limited	150,700	-	-	57,900	92,800	14,832	1.23%	1.02%	0.01%
National Bank of Pakistan - a related party	102,500	-	-	102,500	-	-	-	-	-
United Bank Limited	193,803	90,700	-	-	284,503	34,766	2.87%	2.39%	0.02%
Habib Metropolitan Bank Limited	-	62,000	-	-	62,000	2,517	0.21%	0.17%	0.01%
Meezan Bank Limited	-	35,500	-	-	35,500	4,097	0.34%	0.28%	0.00
						189,072	15.64%	13.00%	
CHEMICAL									
Engro Polymer & Chemicals Limited	684,857	225,000	-	154,000	755,857	35,707	2.95%	2.46%	
Lotte Chemical Pakistan Limited	-	965,000	-	-	965,000	14,900	1.23%	1.02%	0.11%
						50,607	4.18%	3.48%	
GLASS AND CERAMICS									
Tariq Glass Industries Limited	214,200	-	34,925	82,000	167,125	17,779	1.47%	1.22%	0.15%
Shabbir Tiles and Ceramics Limited	-	734,500	-	-	734,500	24,496	2.02%	1.68%	0.67%
						42,275	3.49%	2.90%	
INSURANCE									
Adamjee Insurance Company Limited	154,000	35,000	-	68,000	121,000	5,018	0.41%	0.35%	0.03%
IGI Holdings Limited	-	50,000	-	-	50,000	9,678	0.80%	0.67%	0.01%
						14,696	1.21%	1.02%	
AUTOMOBILE PARTS & ACCESSORIES									
Baluchistan Wheels Limited	7,500	-	-	-	7,500	592	0.05%	0.04%	0.06%
Panther Tyres Limited	-	58,500	-	-	58,500	4,044	0.33%	0.28%	0.06%
						4,636	0.38%	0.28%	
LEATHER & TANNERIES									
Service Global Footwear Limited *	-	63,806	-	-	63,806	3,690	0.31%	0.25%	-
Service Industries Limited *	-	11,200	8,200	3,000	16,400	9,637	0.80%	0.66%	-
						13,327	1.11%	0.91%	
FOOD & PERSONAL CARE PRODUCTS									
Matco Foods Limited	1,250	-	-	1,250	-	-	-	-	-
Shezan International Limited *	-	12,500	-	-	12,500	4,142	0.34%	0.28%	-
Unity Foods Limited *	-	229,000	-	88,500	140,500	6,255	0.52%	0.43%	-
						10,397	0.86%	0.71%	

Name of the Investee Company	Number of shares held					Market value as at June 30, 2021	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2020	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2021		Total market value of Investments	Net assets of the Fund	
							---------------------- % ----------------------		
MISCELLANEOUS									
Synthetic Products Enterprises Limited	28,080	-	1,264	1,264	28,080	1,208	0.10%	0.08%	0.03%
						1,208	0.10%	0.08%	
Total						1,133,695	93.72%	77.90%	
Carrying value as at June 30, 2021						955,696			
Market value as at June 30, 2020						649,981			
Carrying value as at June 30, 2020						641,161			

5.1.1 Investments include shares with a market value of Rs 27.878 million (2020: Rs. 32.391 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.

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable Sindh High Court (SHC) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh had issued notices to the relevant parties and had ordered that no third party interest on bonus shares issued to the Fund in lieu of its investments be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 which required every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies.

As at June 30, 2021, the following bonus shares of the Fund have been withheld at the time of declaration of bonus shares:

Name of the Investee Company	2021 Bonus shares Number of shares	2021 Bonus shares Market value (Rupees in 000)	2020 Bonus shares Number of shares	2020 Bonus shares Market value (Rupees in 000)
Faysal Bank Limited	46,145	783	46,145	643
Hascol Petroleum Limited	1,861	17	1,861	25
Kohinoor Textile Mills Limited	5,348	402	5,348	190
Pakistan State Oil Company Limited	1,999	448	1,999	316
	55,353	1,650	55,353	1,174

5.2 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value: As at July 01, 2020	Face value: Purchased during the year	Face value: Sold / matured during the year	Face value: As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets of the Fund
		---------- (Rupees in 000) ----------					---- (%) ----	
July 18, 2019	12	-	500,000	500,000	-	-	-	-
July 16, 2020	12	-	100,000	100,000	-	-	-	-
July 16, 2020	3	-	450,000	450,000	-	-	-	-
July 16, 2020	6	-	75,000	75,000	-	-	-	-
August 29, 2019	12	-	100,000	100,000	-	-	-	-
April 23, 2020	6	-	525,000	525,000	-	-	-	-
October 22, 2020	3	-	250,000	250,000	-	-	-	-
May 7, 2020	6	-	325,000	325,000	-	-	-	-
November 5, 2020	3	-	250,000	250,000	-	-	-	-
August 27, 2020	3	-	75,000	75,000	-	-	-	-
November 19, 2020	3	-	700,000	700,000	-	-	-	-
November 19, 2020	3	-	100,000	100,000	-	-	-	-
December 31, 2020	3	-	200,000	200,000	-	-	-	-
January 14, 2021	3	-	750,000	750,000	-	-	-	-
January 28, 2021	3	-	350,000	350,000	-	-	-	-
March 25, 2021	3	-	2,090,000	2,090,000	-	-	-	-
June 3, 2021	3	-	245,000	245,000	-	-	-	-
Total		-	7,085,000	7,085,000	-	-	-	-

Carrying value as at June 30, 2021	-
Market value as at June 30, 2020	-
Carrying value as at June 30, 2020	-

5.3 **Corporate sukuk certificates**

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchased during the year	Matured / disposed off during the year	As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to Total market value of the investment	Percentage in relation to Net assets of the Fund
					----- Number of certificates-----				(Rupees in 000)	----- % -----	
POWER GENERATION AND DISTRIBUTION											
The Hub Power Company Limited (traded) (related party) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Quarterly	August 22, 2023	03 Months KIBOR plus base rate of 1.9%	500	-	-	500	50,997	4.22%	3.51%
ENGINEERING											
Mughal Iron & Steel Industries Limited Sukuk Certificates - I (Face value of Rs. 1,000,000 per certificate)	A+, VIS	Quarterly	March 02, 2026	03 Months KIBOR plus base rate of 1.3%	-	25	-	25	25,088	2.07%	1.73%
Total									76,085	6.29%	5.24%
Carrying value as at June 30, 2021									76,072		
Market value as at June 30, 2020									51,072		
Carrying value as at June 30, 2020									52,144		

5.4 **Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net**

	Note	2021	2020
		----------(Rupees in '000)----------	
Market value of investments	5.1, 5.2 & 5.3	1,209,780	701,053
Less: carrying value of investments	5.1, 5.2 & 5.3	1,031,768	693,305
		178,012	7,748

6 **PROFIT AND DIVIDEND RECEIVABLE**

	2021	2020
Profit receivable on bank balances	473	2,319
Profit receivable on sukuk certificates	687	550
Dividend receivable	17	-
	1,177	2,869

7 **DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	Note	2021	2020
Security deposit with Central Depository Company of Pakistan Limited*		100	100
Security deposit with National Clearing Company of Pakistan Limited*		2,750	2,750
Prepaid annual rating fee		133	123
Advance tax	7.1	432	432
		3,415	3,405

*related party balances

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on bank balances, dividends and debt to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The tax withheld on profit on bank balances, dividends and debt securities amounts to Rs 0.432 million (2020: 0.432 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2021	2020
		(Rupees in '000)	
Remuneration of the Management Company	8.1	1,823	1,556
Sindh Sales Tax on remuneration of the Management Company	8.2	237	202
Federal excise duty on remuneration of the Management Company	8.3	16,000	16,000
Federal excise duty on sales load	8.3	3,733	3,733
Allocated expenses payable	8.4	540	309
Selling and marketing expenses payable	8.5	6,303	4,440
Sales load and transfer load payable		852	4,811
Sindh Sales Tax on sales load payable		111	626
ADC charges payable including Sindh Sales Tax		18	-
		29,617	31,677

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

Rate applicable from July 1, 2020 to June 30, 2021	Rate applicable from July 1, 2019 to July 11, 2019	Rate applicable from July 12, 2019 to June 30, 2020
1.5% of average daily net assets	2% of average daily net assets	1.5% of average daily net assets

The remuneration is payable to the Management Company in arrears.

8.2 During the period, an amount of Rs. 2.796 million (2020: Rs. 2.720 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 @ 13% (2019: 13%).

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 19.733 million (2020: Rs 19.733 million) is being retained in these financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Re. 0.23 (2020: Re. 0.23) per unit.

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

Accordingly, the Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from October 27, 2020 to June 30, 2021	Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from July 1, 2019 to June 30, 2020
0.15% of average annual net assets	0.1% of average annual net assets	0.1% of average annual net assets

8.5 The SECP has allowed the asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019) subject to maximum cap of 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 had revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% had been removed and an asset management company was required to set a maximum limit for charging of such expenses to the Fund and the same has to be approved by the Board of Directors of the Management Company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has currently charged selling and marketing expenses at following rates:

Rate applicable from January 26, 2021 to June 30, 2021	Rate applicable from July 1, 2020 to January 25, 2021	Rate applicable from July 1, 2019 to July 11, 2019	Rate applicable from July 12, 2019 to June 30, 2020
1.75% of average daily net assets	1.5% of average daily net assets	0.4% of average daily net assets	1.15% of average daily net assets

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	2021	2020
		----------(Rupees in '000)----------	
Trustee fee payable	9.1	204	186
Sindh Sales Tax payable on Trustee fee	9.2	26	24
		230	210

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed. During the year, the Trustee has revised its tariff as follows:

2021		2020	
Net assets (Rs)	Fee	Net assets (Rs)	Fee
- upto Rs. 1,000 million	0.20% per annum of net assets.	- upto Rs. 1,000 million	Rs 0.7 million or 0.20% per annum of net assets, whichever is higher
- on an amount exceeding Rs. 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.	- on an amount exceeding Rs. 1,000 million	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.

9.2 During the year, an amount of Rs 0.316 million (2020: 0.309 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%).

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2021	2020
		(Rupees in 000)	
Annual fee payable	10.1	287	275

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

As per the guideline issued by the SECP vide its SRO No. 685(I)/2019 dated June 28, 2019, the Fund has charged the SECP fee at the rate of 0.02% (2020: 0.02%) of average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021	2020
		Rupees in '000	
Provision for Sindh Workers' Welfare Fund	11.1	25,552	20,495
Auditors' remuneration payable		604	581
Brokerage charges payable		95	769
Settlement charges payable		49	258
Withholding tax payable		5,945	11,569
Capital gain tax payable		270	12
Legal and professional charges payable		122	99
Printing charges payable		38	85
Others		60	294
		32,735	34,162

11.1 "As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP."

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated

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

Had the provision for SWWF been reversed in these financial statements for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Re 0.30 (2020: Re. 0.24) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

13 NUMBER OF UNITS IN ISSUE

	2021	2020
	---------- Number -----------	
Total units in issue at the beginning of the year	86,051,906	122,345,244
Units issued during the year	54,918,949	28,829,834
Less: units redeemed during the year	(54,879,337)	(65,123,172)
Total units in issue at the end of the year	86,091,518	86,051,906

14 NET ASSET VALUE PER UNIT

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

15 AUDITORS' REMUNERATION

	2021	2020
	----------Rupees in '000-----------	
Annual audit fee	440	420
Half yearly review	175	168
Other certification	100	-
Out of pocket expenses	18	124
	733	712

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2021 is 4.21% (June 30, 2020: 3.67%) which includes 0.59% (June 30, 2020: 0.39%) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in cash, no provision for taxation has been made in these financial statements during the year.

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.

18 EARNINGS PER UNIT

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

19 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

19.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, 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.

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

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

19.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

19.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

19.6 The details of transactions with related parties / connected persons during the year are as follows:

	2021	2020
	------- Rupees in '000 -------	
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	21,509	20,922
Sindh Sales Tax on remuneration of the Management Company	2,796	2,720
Allocated expenses	1,931	1,377
Selling and marketing expenses	23,094	17,131
Sales load and Sindh Sales Tax on sales load	11,782	4,392
ADC charges including Sindh sales tax	38	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,434	2,377
Sindh Sales Tax on remuneration of the Trustee	316	309
Settlement charges	161	130
National Bank of Pakistan - Parent Company		
Shares sold: 102,500 shares (2020: 39,000 shares)	3,874	1,366
National Clearing Company of Pakistan - common directorship		
NCCPL charges	117	459

	2021	2020
	------- Rupees in '000 -------	
Pakistan Stock Exchange - common directorship		
Annual listing fee	25	25
NBP Financial Sector Fund		
Shares purchased: 50,000 shares (2020: Nil shares)	9,526	-
NBP Money Market Fund		
Market Treasury Bills sold	-	343,899
NBP Stock Fund		
Shares sold: Nil shares (2020: 401,018 shares)	-	18,961
NBP Islamic Stock Fund		
Shares sold: Nil shares (2020: 249,500 shares)	-	27,457
Employees of the Management Company		
Units issued / transferred in: 504,346 units (2020: 527,526 units)	8,268	8,318
Units redeemed / transferred out: 352,977 units (2020: 558,150 units)	5,833	8,698
Dividend re-invest 1,633 units (2020: 1,187 units)	28	17
Portfolios managed by the Management Company		
Units issued / transferred in: 6,786,165 units (2020: Nil)	112,557	-
Units redeemed / transferred out: 2,540,540 units (2020: 1,320,965 units)	43,003	20,497
Dividend re-invest 78,880 units (2020: 82,921 units)	1,343	1,208
Market treasury bills sold	73,464	-
International Steels Limited - common directorship *		
Shares purchased: 28,299 shares (2020: 100,000)	2,420	3,987
Shares sold: 86,700 shares (2020: 197,000)	6,095	8,026
Dividend income	-	219
Gul Ahmed Textile Mills Limited - common directorship		
Shares purchased / bonus (right) : 94,712 shares (2020: Nil)	2,299	-
Shares sold: 265,000 shares (2020: 478,500 shares)	9,268	20,144
Dividend income	224	1,185
Fauji Fertilizer Company Limited - common directorship		
Shares purchased: 61,800 shares (2020: 197,500 shares)	6,758	20,028
Shares sold: 119,500 shares (2020: 308,000 shares)	12,939	21,349
Dividend income	3,547	-
The Hub Power Company Limited - common directorship		
Shares purchased: 177,992 shares (2020: 80,000 shares)	14,944	5,275
Shares sold: 130,600 shares (2020: 299,500 shares)	10,560	26,614
Sukuk certificates purchased: Nil (2020: 500 certificates)	-	50,000
Profit on sukuk certificates	4,652	-
Dividend income	3,465	-
BankIslami Pakistan Limited - common directorship		
Profit on bank balance	96	3,706

	2021	2020
	------- Rupees in '000 -------	
Telenor Microfinance Bank Limited - common directorship*		
Profit on bank balance	43	-
Khushhali Bank Limited - common directorship*		
Profit on bank balance	43	-
Ronak Iqbal Lakhani - unit holder with more than 10% holding		
Dividend re-invest 289,774 units (2020: Nil units)	4,936	-
Taurus Securities Limited - Subsidiary of parent of the Management Company		
Brokerage expense	73	79
Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	1,823	1,556
Sindh Sales Tax on remuneration of the Management Company	237	202
Federal excise duty on sales load	3,733	3,733
Federal excise duty on remuneration of the Management Company	16,000	16,000
Allocated expenses payable	540	309
Selling and marketing expenses	6,303	4,440
Sales and transfer load payable	852	4,811
Sindh Sales Tax on sales load payable	111	626
ADC charges payable including Sindh Sales Tax	18	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	204	186
Sindh sales tax on remuneration of the Trustee	26	24
CDS charges payable	21	133
Security deposit	100	100
National Clearing Company of Pakistan (Common directorship)		
Security deposit	2,750	2,750
NCCPL charges payable	28	125
National Bank of Pakistan Parent company		
Bank balances	1,648	8,866
Shares held: Nil shares (2020: 102,500 shares)	-	2,834
International Steels Limited (Common Directorship) *		
Shares held: 26,899 shares (2020: 85,300 shares)	2,513	4,406
Gul Ahmed Textile Mills Limited (Common Directorship)		
Shares held: 268,272 shares (2020: 438,560 shares)	13,609	12,556
Fauji Fertilizer Company Limited (Common Directorship)		
Shares held: 306,800 (2020: 364,500 shares)	32,551	40,091

	2021	2020
	------- Rupees in '000 -------	
The Hub Power Company Limited (Common Directorship)		
Ordinary shares held: 620,079 (2020: 572,687) shares	49,402	41,520
Profit receivable on sukuk certificates	512	550
Investments in sukuk certificates	50,997	51,072
BankIslami Pakistan Limited (Common Directorship)		
Bank balances	1,995	465
Profit receivable on bank balances	54	7
Employees of the Management Company		
Units held in the Fund: 177,816 units (2020: 24,814 units)	3,003	363
Portfolios managed by the Management Company		
Units held: 5,081,091 (2020: 1,265,372) units	85,817	18,506
Ronak Iqbal Lakhani - unit holder with more than 10% holding		
Units held: 9,913,583 (2020: 9,623,809) units	167,435	140,741
Telenor Microfinance Bank Limited - common directorship*		
Bank balance - savings account	3	-
Profit receivable on bank balance	43	-
Khushhali Bank Limited - common directorship*		
Bank balance - savings account	13	-
Profit receivable on bank balance	56	-
Summit Bank Limited - common directorship**		
Bank balances - current account	-	2,323

* Prior period figures have not been presented as the person was not a related party / connected person as at June 30, 2021 and June 30, 2020.

** Current period figures have not been presented as the person is not a related party / connected person as at June 30, 2021.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2021		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	291,618	-	291,618
Investments	-	1,209,780	1,209,780
Profit and dividend receivable	1,177	-	1,177
Receivable against issuance of units	8,908	-	8,908
Advance against IPO subscription	8,275	-	8,275
Deposits	2,850		2,850
	312,828	1,209,780	1,522,608

	2021		
	At amortised cost	At fair value through profit or loss	Total
	--------------------Rupees in '000--------------------		
Financial Liabilities			
Payable to NBP Fund Management Limited - the Management Company	29,617	-	29,617
Payable to Central Depository Company of Pakistan Limited - the Trustee	230	-	230
Payable against redemption of units	302	-	302
Payable against purchase of investments	5,955	-	5,955
Accrued expenses and other liabilities	968	-	968
	37,072	-	37,072

	2020		
	At amortised cost	At fair value through profit or loss	Total
	--------------------Rupees in '000--------------------		
Financial assets			
Bank balances	619,145	-	619,145
Investments	-	701,053	701,053
Profit and dividend receivable	2,869	-	2,869
Receivable against sale of investments	2,563	-	2,563
Receivable against issuance of units	9,587	-	9,587
Deposits, prepayments and other receivables	2,850		2,850
	637,014	701,053	1,338,067
Financial Liabilities			
Payable to NBP Fund Management Limited - the Management Company	31,677	-	31,677
Payable to Central Depository Company of Pakistan Limited - the Trustee	210	-	210
Payable against redemption of units	13,856	-	13,856
Accrued expenses and other liabilities	2,086	-	2,086
	47,829	-	47,829

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund’s objective in managing risk is the creation and protection of unit holders’ value. Risk is inherent in the Fund’s activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2021, the Fund is exposed to such risk on its balances held with banks, investment in sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances and corporate sukuks certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 3.64 million (2020: Rs 6.590 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that has been designated at fair value through profit and loss . Therefore, a change in interest rate as at June 30, 2020, would not have any affect on the income statement.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

	2021					
	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		Rupees in '000				
Financial assets						
Bank balances	4.75% - 11.55%	287,867	-	-	3,751	291,618
Investments	8.69% - 10.04%	76,085	-	-	1,133,695	1,209,780
Profit and dividend receivable		-	-	-	1,177	1,177
Receivable against sale of investments		-	-	-	-	-
Receivable against issuance of units		-	-	-	8,908	8,908
Advance against IPO subscription		-	-	-	8,275	8,275
Deposits		-	-	-	2,850	2,850
		363,952	-	-	1,158,656	1,522,608
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	29,617	29,617
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	230	230
Payable against purchase of investments		-	-	-	5,955	5,955
Payable against redemption of units		-	-	-	302	302
Accrued expenses and other liabilities		-	-	-	968	968
		-	-	-	37,072	37,072
On-balance sheet gap		363,952	-	-	1,121,584	1,485,536
Total profit rate sensitivity gap		363,952	-	-		
Cumulative profit rate sensitivity gap		363,952	363,952	363,952		

	Effective profit rate (%)	Exposed to yield / profit rate risk: Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit rate risk	Total
	---- 2020 ----					
		---- Rupees in '000 ----				
Financial assets						
Bank balances	6.5% - 15.3%	607,955	-	-	11,190	619,145
Investments	10.4%	-	-	-	701,053	701,053
Profit and dividend receivable		-	-	-	2,869	2,869
Receivable against sale of investments		-	-	-	2,563	2,563
Receivable against issuance of units		-	-	-	9,587	9,587
Deposits, prepayments and other receivables		-	-	-	2,850	2,850
		607,955	-	-	730,112	1,338,067
Financial liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	31,677	31,677
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	210	210
Payable against purchase of investments		-	-	-	-	-
Payable against redemption of units		-	-	-	13,856	13,856
Accrued expenses and other liabilities		-	-	-	2,086	2,086
		-	-	-	47,829	47,829
On-balance sheet gap		607,955	-	-	682,283	1,290,238
Total profit rate sensitivity gap		607,955	-	-		
Cumulative profit rate sensitivity gap		607,955	607,955	607,955		

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market respectively.

The Fund is exposed to equity price risk on investments held by the Fund and classified as at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets.

In case of 5% increase / decrease in KMI 30 index on June 30, 2021, with all other variables held constant, the total comprehensive loss of the Fund for the year would increase / decrease by Rs. 56.685 million (2020: Rs. 32.499 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at 'fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

21.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

	---------- 2021 ----------						
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	---------- Rupees in '000 ----------						
Financial liabilities							
Payable to NBP Fund Management Limited - the Management Company	29,617	-	-	-	-	-	29,617
Payable to the Central Depository Company of Pakistan Limited - the Trustee	230	-	-	-	-	-	230
Payable against purchase of investments	5,955	-	-	-	-	-	5,955
Payable against redemption of units	302	-	-	-	-	-	302
Accrued expenses and other liabilities	968	-	-	-	-	-	968
	37,072	-	-	-	-	-	37,072

	2020							
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	---------- Rupees in '000 ----------						
Financial liabilities							
Payable to NBP Fund Management Limited - Management Company	31,677	-	-	-	-	-	31,677
Payable to Central Depository Company of Pakistan Limited - Trustee	210	-	-	-	-	-	- 210
Payable against redemption of units	13,856	-	-	-	-	-	13,856
Accrued expenses and other liabilities	2,086	-	-	-	-	-	2,086
	47,829	-	-	-	-	-	47,829

21.3 Credit risk

21.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	---------- Rupees in '000 ----------			
Bank balances	291,618	291,618	619,145	619,145
Investments	1,209,780	76,085	701,053	51,072
Profit and dividend receivable	1,177	1,177	2,869	2,869
Receivable against sale of investments	-	-	2,563	2,563
Receivable against issuance of units	8,908	8,908	9,587	9,587
Advance against IPO subscription	8,275	8,275	-	-
Deposits	2,850	2,850	2,850	2,850
	1,522,608	388,913	1,338,067	688,086

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

21.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, profit accrued thereon, and investments. The credit rating profile of balances with banks and investments are as follows:

	% of financial assets exposed to credit risk	
Bank rating	**2021**	**2020**
AAA	3%	0%
AA+	63%	23%
AA-	8%	17%
A+	-	23%
Corporate sukuk certificates rating		
AA+	13%	4%
A+	6%	-
	94%	66%

22 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

22.1 Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value.

	As at June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss	Rupees in '000			
Listed equity securities	1,133,695	-	-	1,133,695
Corporate sukuk certificates	-	76,085	-	76,085
	1,133,695	76,085	-	1,209,780

	As at June 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit or loss	Rupees in '000			
Listed equity securities	649,981	-	-	649,981
Corporate sukuk certificates	-	51,072	-	51,072
	649,981	51,072	-	701,053

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2021			2020		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	1,187	985,896	67.80	1,141	859,769	68.32
Retirement funds	23	282,050	19.40	22	186,760	14.84
Others	13	186,101	12.80	13	211,913	16.84
	1223	1,454,047	100	1176	1,258,442	100

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2021 Name of broker	Percentage of commission paid	2020 Name of broker	Percentage of commission paid
Arif Habib Securities Limited	6.29%	Sherman Securities (Private) Limited	8.42%
Taurus Securities Limited	6.19%	Alfalah Securities (Private) Limited	6.67%
Insight Securities (Private) Limited	5.70%	Taurus Securities Ltd.	6.56%
Bma Capital Management Limited	5.41%	Spectrum Securities (Private) Limited	5.22%
Efg Hermes Pakistan Limited	5.16%	Efg Hermes Pakistan Ltd	5.21%
Foundation Securities	5.14%	Khadim Ali Shah Bukhari Securities (Private) Limited)	4.78%
Optimus Capital Management Limited	5.00%	Arif Habib Securities Limited	4.72%
Alfalah Securities (Private) Limited	4.62%	Bma Capital Management Limited	4.23%
J.S. Global Capital Limited	4.53%	Optimus Capital Management Limited	4.10%
Topline Securities Limited	4.43%	Intermarket Securities	4.08%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	33
Sajjad Anwar	Chief Investment Officer	CFA / MBA	21
Asim Wahab Khan (note 26.1)	Deputy Chief Investment Officer	CFA	15
Hassan Raza	Head of Research	ACCA / BSC / CFA	10
Muhammad Ali Bhabha	Head of Fixed Income	CFA, MBA, FRM and MS	26

26.1 The name of the Fund Manager is Asim Wahab Khan. Other funds managed by the Fund Manager are as follows:

- NBP Balanced Fund
- NBP Islamic Active Allocation Equity Fund
- NBP Islamic Energy Fund
- NBP Islamic Regular Income Fund
- NBP Islamic Sarmaya Izafa Fund
- NBP Sarmaya Izafa Fund
- NBP Stock Fund
- NBP Pakistan Growth Exchange Traded Fund

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 76th, 77th, 78th, 79th, 80th Board meetings were held on July 16, 2020, September 17, 2020, October 27, 2020, February 26, 2021 and April 30, 2021 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held / Applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
Saad ur Rahman Khan [note 27.1]	3	2	1	77th
Syed Hasan Irtiza Kazmi	5	5	-	-
Ali Saigol	5	5	-	-
Imran Zaffar	5	5	-	-
Khalid Mansoor	5	5	-	-
Humayun Bashir	5	5	-	-
Saad Amanullah Khan	5	5	-	-
Dr. Amjad Waheed	5	5	-	-
Mehnaz Salar [note 27.2]	2	2	-	-

27.1 Saad ur Rahman Khan resigned from the Board as Director on December 03, 2020.

27.2 Mehnaz Salar opted as Director on the Board with effect from February 03, 2021.

28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2021.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018	For the year ended June 30, 2017	For the year ended June 30, 2016
Net assets (Rs. '000')	1,454,047	1,258,442	1,769,397	3,139,554	3,290,118	1,174,657
Net Income (Rs. '000')	247,784	99,307	(208,875)	(248,202)	756,388	75,790
Net Asset Value per units (Rs.)	16.8895	14.6242	14.4623	15.8337	17.0467	14.8297
Offer price per unit	17.4621	15.1200	14.9522	16.3705	17.6246	15.4180
Redemption price per unit	16.8895	14.6242	14.4623	15.8337	17.0467	14.8297
Ex - Highest offer price per unit (Rs.)	17.9437	17.2273	16.8863	17.6826	18.7911	15.7944
Ex - Lowest offer price per unit (Rs.)	14.7238	12.6816	14.8811	15.2392	13.5968	13.7044
Ex - Highest redemption price per unit (Rs.)	17.3554	16.6625	16.3329	17.1028	18.1749	15.1918
Ex - Lowest redemption price per unit (Rs.)	14.2410	12.2658	14.3932	14.7395	13.1540	13.1814
Fiscal Year Opening Ex Nav	14.1273	13.5168	15.8337	16.9877	13.1234	13.7815
Total return of the fund	19.55%	8.19%	-8.66%	-6.79%	29.90%	7.61%
Capital growth	16.03%	1.20%	-8.66%	-6.79%	13.44%	0.35%
Income distribution as % of Ex-NAV	3.52%	7.06%			16.46%	7.26%
Income distribution as % of Par Value	6.03%	10.22%			21.60%	10.73%
Interim distribution per unit	0.6034	1.0216			2.1599	1.0725
Final distribution per unit	-	-			0.0552	-
Distribution dates						
Interim	25-June-2021	24-June-2020			21-June-2017	30-June-2016
Final					15-Sep-17	-
Average annual return (launch date 20-08-2010)						
(Since inception to June 30, 2021)	13.43%					
(Since inception to June 30, 2020)		12.82%				
(Since inception to June 30, 2019)			13.36%			
(Since inception to June 30, 2018)				16.52%		
(Since inception to June 30, 2017)					20.37%	
(Since inception to June 30, 2016)						18.82%
(Since inception to June 30, 2015)						

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Sarmaya Izafa Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NBP SARMAYA IZAFA FUND			
Resolutions	**For**	**Against**	**Abstain***
11	**11**	Nil	N/A
100%	**100%**	-	-

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
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NBP BALANCED FUND

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ANNUAL REPORT
2021

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. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

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

Auditors

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

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

Board of Directors

Dr. Amjad Waheed, CFA
Chief Executive Officer

Shaikh Muhammad Abdul Wahid Sethi
Chairman

Mr. Khalid Mansoor
Director

Mr. Humayun Bashir
Director

Mr. Tauqeer Mazhar
Director

Mr. Ali Saigol
Director

Mr. Saad Amanullah Khan
Director

Ms. Mehnaz Salar
Director

Mr. Imran Zaffar
Director

Senior Management

Dr. Amjad Waheed, CFA
Chief Executive Officer

Mr. Sajjad Anwar, CFA
Chief Investment Officer

Mr. Samiuddin Ahmed
Country Head Corporate Marketing

Mr. Ozair Khan
Chief Technology Officer

Mr. Salim S Mehdi
Chief Innovation & Strategy Officer

Mr. Muhammad Murtaza Ali
Chief Operating Officer & Company Secretary

Mr. Khalid Mehmood
Chief Financial Officer

Mr. Asim Wahab Khan, CFA
Deputy Chief Investment Officer

Syed Sharoz Mazhar, CFA
Head of Business & Sales Strategy

Mr. Salman Ahmed, CFA
Head of Fixed Income

Mr. Zulfiqar Ali, CFA
Head of Business Planning and Analytics

Mr. Hassan Raza, CFA
Head of Research

Mr. Waheed Abidi
Head of Internal Audit

Mr. Zaheer Iqbal, ACA FPFA
Head of Operations

Muhammad Imran, CFA, ACCA
Head of Portfolio Management

Syed Haseeb Ahmed Shah
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Fifteenth Annual Report of **NBP Balanced Fund** for the year ended June 30, 2021.

Fund's Performance

After lackluster performance in FY20, the stock market (KSE-100 Index) delivered robust returns of 37.6% during FY2021, driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development & deployment of effective vaccines; and well-coordinated decisive policy response by the monetary and fiscal authorities. The rally at the local bourse picked up steam in 1HFY21 as valueable money entered the stock market. Robust economic recovery and strong earnings growth further lifted market sentiment. It merits mention that the stock market performance during FY21 was driven by the corporate earnings growth as the market still trades at an attractive Price-to-Earnings (P/E) multiple of 6.5x.

Although the country faced multiple waves of the Covid-19 during the year under review, the smart and targeted lockdowns allowed the economy to continue to operate uninterrupted. The economic recovery was gradual initially and it picked up pace supported by favorable fiscal and monetary policies. The economic growth rate for FY21 stood at 3.9% after GDP contraction of 0.5% during FY20. The frequently released economic data such as cement dispatches, retail fuels sales, electricity consumption and automobile sales volume also corroborated sharp economic rebound. Coronavirus-induced travel restrictions proved beneficial for the external account as workers' remittances registered a hefty 27% growth during FY2021, clocking-in at USD 29.4 billion. Resultantly, the country posted a Current Account Deficit (CAD) of USD 1.8 billion during FY21 versus USD 4.4 billion last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed. As a result the country secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market. Furthermore, the Roshan Digital Account (RDA) launched by the central bank to tap the diaspora was a resounding a success as the country attracted around USD 1.6 billion during the year.

In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Sugar, Transport and Pharmaceuticals sectors lagged behind. In terms of participants-wise market activity, Individuals, Companies, and Other Organizations stood as main buyers in the market, with net inflows amounting to USD 332 million, USD 138 million and USD 45 million, respectively. On the other hand, Foreign Investors, Banks/DFIs and Broker Proprietary Trading were large sellers with net outflows of around USD 387 million, USD 95 million, and USD 32 million, respectively.

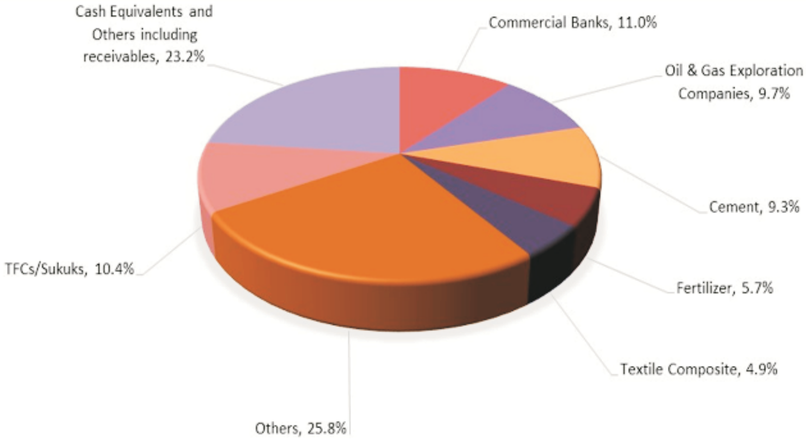
The trading activity in corporate debt securities remained subdued as the cumulative traded value stood at Rs. 21.8 billion. However, market witnessed fresh issuance of TFCs and Sukuks in the Power & Distribution and Banking sectors.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 15.2 trillion. Sovereign yields reflected the market expectation of the bottoming out of the interest rate and eventual reversal of the monetary easing cycle. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 19, 48 and 76 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 1.46%, 1.38%, and 1.25%, respectively.

During the fiscal year, NBP Balanced Fund increased by 19.3% versus the benchmark increased by 21.9% translating into an underperformance of 2.6% during the year. The drag on the Fund performance was on account of lagged performance of some of its key holdings belonging to defensive sectors that continued to trade at steep valuation discount compared to the market, during the period under review. We expect these stocks to exhibit strong performance going ahead given their undemanding valuations. Since its launch (January 19, 2007), the Fund has risen by 459.8%, versus the benchmark return of 236.9%, thus to date outperformance is 222.9%. This outperformance is net of management fee and all other expenses. The Fund size is 1,608 million as of June 30, 2021.

NBP Multi Asset Fund has earned a total income of Rs.331.60 million during the year. After deducting total expenses of Rs. 65.46 million, the net income is RS. 266.14 million. During the year, the unit price of NAFA Multi Asset Fund has increased from Rs. 16.2323 (Ex-Div) on June 30, 2020 to Rs. 19.3595 on June 30, 2021. The resultant per unit gain is Rs. 3.1272 (19.3%).

The asset allocation of NBP Balanced Fund as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.33% of the opening ex-NAV (5.55% of the par value) during the year ended June 30, 2021.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Sindh Workers' Welfare Fund (SWWF)

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

Auditors

The present auditors, Messrs Grant Thornton Anjum Rahman & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2022.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.

7. There has been no material departure from the best practices of Corporate Governance.

8. A performance table/ key financial data is given in this annual report.

9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.

10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 24 to these financial statements.

11. The detailed pattern of unit holding is disclosed in the note 23 to these financial statements.

12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 20 to these financial statements.

13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2021, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Hasan Irtiza Kazmi 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

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: **September 16, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP بیلنسڈ فنڈ کی پندرہویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2021ء پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 20 میں ناقص کارکردگی کے بعد (KSE-100 انڈیکس) نے اسٹاک مارکیٹ کی پُرکشش قیمتوں، توقع سے قبل کاروباری پابندیوں کے خاتمے اور تیز ترین معاشی بحالی، ڈویلپمنٹ اور مؤثر ویکسین کی تیاری اور تعیناتی اور مانیٹری اور فسکل حکام کی طرف سے مربوط کن فیصلہ سازی کے باعث مالی سال 2021 کے دوران 37.6% کا مستحکم منافع دیا ہے۔ مقامی اسٹاک مارکیٹ میں ریلی 1HFY21 میں بھرپور بڑھ گئی کیونکہ قابل قدر رقم اسٹاک مارکیٹ میں داخل ہوئی۔ مضبوط معاشی بحالی اور مضبوط آمدنی میں اضافے نے مارکیٹ کے جذبات کو مزید فروغ دیا۔ یہ بات قابل ذکر ہے کہ مالی سال 21 کے دوران اسٹاک مارکیٹ کی کارکردگی کارپوریٹ آمدنی میں اضافے سے کارفرما تھی کیونکہ مارکیٹ اب بھی 6.5x گنا کی پرکشش Price-to-Earning (P/E) پر تجارت کرتی ہے۔

اگرچہ ملک کو زیرِ جائزہ سال کے دوران کوویڈ 19 کی متعدد لہروں کا سامنا کرنا پڑا، لیکن سمارٹ اور ٹارگٹڈ لاک ڈاؤن نے معیشت کو بغیر کسی رکاوٹ کے جاری رکھا۔ معاشی بحالی شروع میں بتدریج تھی اور سازگار مالیاتی اور مانیٹری پالیسیوں کی مدد سے اس کی رفتار تیز ہوگئی۔ مالی سال 20 کے دوران جی ڈی پی میں 0.5 فیصد کی کمی کے بعد مالی سال 21 کی معاشی ترقی کی شرح 3.9 فیصد رہی۔ اکثر جاری ہونے والے معاشی اعداد و شمار جیسے کہ سیمنٹ کی ترسیل، خوردہ ایندھن کی فروخت، بجلی کی کھپت اور آٹو موبائل کی فروخت کا حجم بھی تیز معاشی بحالی کی تصدیق کرتا ہے۔ کورونا وائرس سے متاثرہ سفری پابندیاں بیرونی اکاؤنٹ کے لیے فائدہ مند ثابت ہوئیں کیونکہ مالی سال 2021 کے دوران بیرونِ ملک کام کرنے والے ملازمین کے ترسیلات زر میں 27 فیصد اضافہ ریکارڈ کیا گیا، جو کہ 29.4 بلین امریکی ڈالر ہے۔ نتیجتاً ملک نے مالی سال 21 کے دوران 1.8 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) درج کیا جو گزشتہ سال 4.4 بلین امریکی ڈالر تھا۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ توسیعی فنڈ سہولت (ای ایف ایف) جو کہ گزشتہ سال اپریل میں روک دی گئی تھی، آخر کار دوبارہ بحال ہوگئی۔ اس کے نتیجے میں ملک نے آئی ایم ایف کی تقریباً 500 ملین امریکی ڈالر کی قسط حاصل کرلی۔ آئی ایم ایف پروگرام کی بحالی نے ملک کو بین الاقوامی ڈیبٹ مارکیٹ میں یورو بانڈز جاری کرکے 2.5 بلین امریکی ڈالر قرض لینے کی اجازت دی۔ مزید برآں، سنٹرل بینک کی جانب سے پردیسوں کو مستفید کرنے کے لیے شروع کیا گیا روشن ڈیجیٹل اکاؤنٹ (آر ڈی اے) ایک شاندار کامیابی تھی کیونکہ ملک نے سال کے دوران تقریباً 1.6 بلین امریکی ڈالر کا زرِ مبادلہ حاصل کیا۔

شعبہ وار کارکردگی کے تناظر میں آٹو اسمبلرز، سیمنٹ، کیمیکلز، انجینئرنگ، گلاس اینڈ سرامکس، تیل اور گیس مارکیٹنگ کمپنیوں، کاغذ اور بورڈ، بجلی کی پیداوار اور تقسیم، ریفائنری، ٹیکنالوجی، اور ٹیکسٹائل کمپوزٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ اسکے برعکس کھادیں، خوراک اور ذاتی نگہداشت، انشورنس، تیل اور گیس ایکسپلوریشن چینی، ٹرانسپورٹ اور فارماسیوٹیکلز مارکیٹ سے پیچھے رہ گئے۔ مارکیٹ میں شرکاء وار سرگرمی کے لحاظ سے، انفرادی سرمایہ کار، کمپنیاں، اور دیگر آرگنائزیشنز بالترتیب 332 ملین امریکی ڈالر، 138 ملین امریکی ڈالر اور 45 ملین امریکی ڈالر کے خالص آمد کے ساتھ مارکیٹ میں بڑے خریدار رہے۔ دوسری طرف، غیر ملکی سرمایہ کار، بینک/DFIs اور بروکر پروپرائیٹری ٹریڈنگ بالترتیب تقریباً 387 ملین امریکی ڈالر، 95 ملین امریکی ڈالر اور 32 ملین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں اہم فروخت کار رہے۔

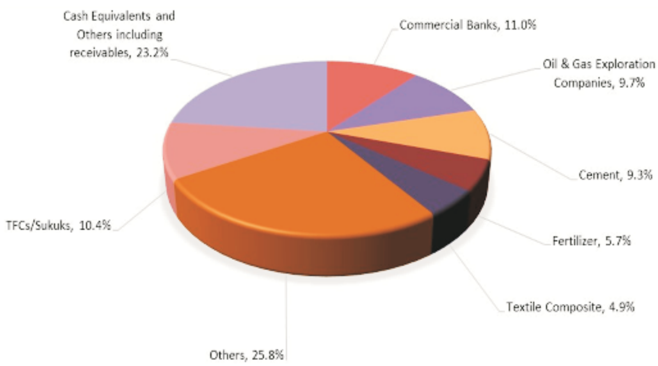
کارپوریٹ ڈیبٹ سیکورٹیز میں تجارتی سرگرمی کم رہی کیونکہ مجموعی تجارتی قدر 21.8 بلین روپے رہی۔ تاہم، مارکیٹ نے پاور اینڈ ڈسٹری بیوشن اور بینکنگ سیکٹرز میں TFCs اور سکوکس کے نئے اجراء کا مشاہدہ کیا۔

سی پی آئی (CPI) کی پیمائش کردہ افراطِ زر بنیادی طور پر خوراک کی قیمتوں میں اضافہ کی وجہ سے مالی سال 21 میں 8.9 فیصد تک بلند رہا۔ مالی سال 21 کے دوران اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مانیٹری پالیسی کمیٹی (ایم پی سی) کے پانچ اجلاس منعقد کیے اور بینچ مارک پالیسی کی شرح کو 7 فیصد پر برقرار رکھا۔ افراط زر میں اضافے کے باوجود، اسٹیٹ بینک نے معیشت میں نمایاں سست روی اور معاشی بحالی کو ملک میں بڑھتے ہوئے کورونا وائرس کیسز سے پیدا ہونے والے خطرات کے حوالہ سے مانیٹری پالیسی کے مؤثر موقف کو جاری رکھا۔ SBP نے چھبیس (26) ٹی بل نیلامیاں منعقد کیں، جس سے کل 15.2 ٹریلین روپے حاصل کئے۔ حکومتی منافع شرح سود کی کم ترین سطح اور مانیٹری آسانی کے سائیکل کو ختم کرنے کے توقع کی عکاسی کرتا ہے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی ٹی بلز منافع میں بالترتیب 19، 48 اور 76 بیسز کا اضافہ ہوا۔ اسی طرح 3 سالہ، 5 سالہ، اور 10 سالہ PIBs منافع میں بالترتیب 1.46%، 1.38% اور 1.25% تک کا اضافہ ہوا۔

مالی سال کے دوران، NBP بیلنسڈ فنڈ 21.9% بینچ مارک اضافہ کے بخلاف 19.3% تک زیادہ ہوا جس کے نتیجے سال کے دوران 2.6% کی ابتر کارکردگی ظاہر کی۔ زیرِ جائزہ مدت کے دوران چند دفاعی شعبوں سے متعلقہ کلیدی ہولڈنگز جس نے مارکیٹ کے موازنہ میں کم قیمت پر تجارت جاری رکھی کی کارکردگی کی وجہ سے فنڈ کی کارکردگی متاثر ہوئی۔ ہم توقع کرتے ہیں کہ یہ ذخائر مستقبل میں اپنی غیر ڈیمانڈنگ قیمتوں کی وجہ سے مستحکم کارکردگی کا مظاہرہ کریں گے۔ اپنے آغاز (19 جنوری 2007) سے، فنڈ میں 236.9 فیصد بینچ مارک ریٹرن کے مقابلے 459.8 فیصد کا اضافہ ہوا ہے، چنانچہ آج تک بہتر کارکردگی 222.9 فیصد ہے۔ یہ بہتر کارکردگی انتظامی فیس اور دیگر تمام اخراجات کے علاوہ خالص ہے۔ فنڈ کا سائز 30 جون 2021 کو 1,608 ملین ہے۔

NBP ملٹی ایسٹ فنڈ کو سال کے دوران 331.60 ملین روپے کی کل آمدنی ہوئیہے۔ 65.46 ملین روپے کے اخراجات منہا کرنے کے بعد، خالص آمدنی 266.14 ملین روپے ہے۔ سال کے دوران، NAFA ملٹی ایسٹ فنڈ کے یونٹ کی قیمت 30 جون 2020 کو (Ex-Div) 16.2323 روپے سے بڑھ کر 30 جون 2021 کو 19.3595 روپے ہوگئی۔ نتیجتاً فی یونٹ گین 3.1272 روپے (19.3%) ہے۔

30 جون 2021 کے مطابق NBP بیلنسڈ فنڈ کی ایسٹ ایلوکیشن حسبِ ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 3.33% (بنیادی قدر کا 5.55%) عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع منقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

سندھ ورکرز ویلفیئر فنڈ (SWWF)

مورخہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوچل فنڈز ایسوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے NBP بیلنسڈ فنڈ میں ریکارڈ کی گئی 19.93 ملین روپے ورکرز ویلفیئر فنڈ کی پرووژننگ کو 13 اگست 2021 ریورس کردیا گیا۔ پرووزن کی اس ریورسل کے باعث NBP بیلنسڈ فنڈ کی NAV میں 1.24% کا غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز گرانٹ تھارٹن انجم رحمان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوگئے ہیں اور اہل ہونے کی بناء پر 30 جون 2022 کو ختم ہونے والے سال کے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک وشبہات نہیں ہیں۔

7• کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلوتہی نہیں کی گئی۔

8• پرفارمنس ٹیبل/اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔

9• ٹیکسوں، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کردی گئی ہیں۔

10• اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کی گئی ہے۔

11• یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 23 میں ظاہر کیا گیا ہے۔

12• ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید وفروخت ان مالیاتی گوشواروں کے نوٹ 20 میں ظاہر کی گئی ہے۔

13• کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2021 کو بورڈ آف ڈائریکٹرز درجہ ذیل ارکان پر مشتمل ہیں

کیٹگری	نام
غیر جانبدار ڈائریکٹرز	1• جناب خالد منصور 2• جناب سعد امان اللہ خان 3• جناب ہمایوں بشیر
ایگزیکٹو ڈائریکٹر	ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)
نان ایگزیکٹو ڈائریکٹرز	1• شیخ محمد عبدالواحد سیٹھی (چیئرمین) 2• سید حسن ارتضیٰ کاظمی 3• محترمہ مہناز سالار 4• جناب علی سیگل 5• جناب عمران ظفر

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: 16 ستمبر 2021ء

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Balanced Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2021

FUND MANAGER REPORT

NBP Balanced Fund

NBP Balanced Fund (NBF) is an Open-ended Balanced Fund.

Investment Objective of the Fund

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

Benchmark

Daily weighted return of KSE-30 Total Return Index & 6-month KIBOR based on Fund's actual allocation, effective from September 01, 2016. Previously 50% KSE-30 Total Return Index & 50% 3-Month KIBOR.

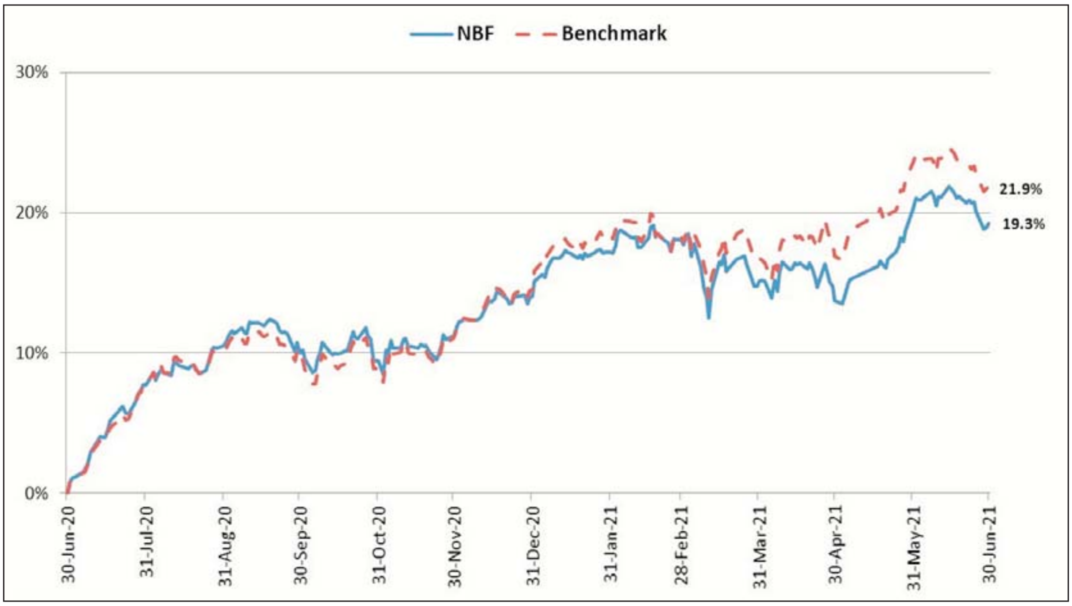
Fund Performance Review

This is the fifteenth annual report of the Fund. During the fiscal year, NBP Balanced Fund increased by 19.3% versus the benchmark increased by 21.9% translating into an underperformance of 2.6% during the year. Since its launch (January 19, 2007), the Fund has risen by 459.8%, versus the benchmark return of 236.9%, thus to date outperformance is 222.9%. This outperformance is net of management fee and all other expenses. Thus, NBF has met its investment objective. During the year, the fund size of NMF increased by 16% to Rs. 1,608 mln.

NBF underperformed during the year as the Fund was overweight in key stocks in Oil & Gas Exploration Companies, Commercial Banks, Engineering, and Power Generation & Distribution sectors that underperformed the market and underweight in key stocks in Technology & Communication, Refinery, Cement, and Fertilizer sectors that outperformed the market, thereby contributing to the underperformance. The chart below shows the performance of NMF against the Benchmark for the year.

The chart below shows the performance of NMF against the Benchmark for the year.

NBF Performance vs. Benchmark during FY21



At the start of the year, NBF was around 51.9% invested in equities. During the year, we altered the allocation of the Fund based on the expected performance of different asset classes. Towards the end of the year, the allocation in equities was around 66.4%.

After lackluster performance in FY20, the stock market (KSE-100 Index) delivered robust returns of 37.6% during FY2021, driven by attractive stock market valuations; earlier than expected lifting of business restrictions and the resultant sharp economic recovery; development & deployment of effective vaccines; and well-coordinated and decisive policy response by the monetary and fiscal authorities. The rally at the local bourse picked up steam in 1HFY21 as value money entered the stock market. Robust economic recovery and strong earnings growth further lifted market sentiment. It merits mention that the stock market performance during FY21 was driven by the corporate earnings growth as the market still trades at an attractive Price-to-Earnings (P/E) multiple of 6.5x.

Although the country faced multiple waves of the Covid-19 during the year under review, the smart and targeted lockdowns allowed the economy to continue to operate uninterrupted. The economic recovery was gradual initially and it picked up pace supported by favorable fiscal and monetary policies. The economic growth rate for FY21 stood at 3.9% after GDP contraction of 0.5% during FY20. The frequently released economic data such as cement dispatches, retail fuels sales, electricity consumption and automobile sales volume also corroborate sharp economic rebound. Coronavirus-induced travel restrictions proved beneficial for the external account as workers' remittances registered a hefty 27% growth during FY2021, clocking-in at USD 29.4 billion. Resultantly, the country posted a Current Account Deficit (CAD) of USD 1.8 billion during FY21 versus a CAD of USD 4.4 billion last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the country secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market. Furthermore, the Roshan Digital Account (RDA) launched by the central bank to tap the diaspora was a resounding a success as the country attracted around USD 1.6 billion during the year.

In terms of sectoral performance, Auto Assemblers, Cements, Chemicals, Engineering, Glass & Ceramics, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Technology, and Textile Composite sectors performed better than the market. On the contrary, Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Sugar, Transport and Pharmaceuticals sectors lagged behind. On participants-wise market activity, Individuals, Companies, and Other Organizations stood as main buyers in the market, with net inflows amounting to USD 332 million, USD 138 million and USD 45 million, respectively. On the other hand, Foreign Investors, Banks/DFIs and Broker Proprietary Trading were large sellers with net outflows of around USD 387 million, USD 95 million, and USD 32 million, respectively.

The trading activity in corporate debt securities remained subdued as the cumulative traded value stood at Rs. 21.8 billion. However, market witnessed fresh issuance of TFCs and Sukuks in the Power & Distribution and Banking sectors.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. SBP held twenty-six (26) T-Bill auctions, realizing a total of Rs. 15.2 trillion. Sovereign yields reflected the market expectation of the bottoming out of the interest rate and eventual reversal of the monetary easing cycle. The yields on T-Bills for 3-month, 6-month and 12-month tenures increased by 19, 48 and 76 basis points, respectively. Similarly, yields on 3-year, 5-year, and 10-year PIBs surged by 1.46%, 1.38%, and 1.25%, respectively.

Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-21	30-Jun-20
Equities / Stocks	66.4%	51.9%
TFCs / Sukuks	10.4%	10.0%
Cash Equivalents	25.1%	39.7%
Other Net Liabilities	(1.9%)	(1.6%)
Total	**100.0%**	**100.0%**

Distribution for the Financial Year 2021

Interim Period	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Jun-21	5.55%	20.1794	19.6240

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	38
1-1000	111
1001-5000	106
5001-10000	32
10001-50000	78
50001-100000	15
100001-500000	27
500001-1000000	1
1000001-5000000	1
5000001-10000000	1
100000001-1000000000	2
Total	**412**

During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated in the report. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The Scheme has maintained provisions against Sindh worker's welfare Fund's liability to the tune of Rs 19,665,699/- if the same were not made the NAV Per unit/last one year return of the Scheme would be higher by Rs 0.2368/1.46%.For details investors are advised to read the note 11.1 of the latest Financial Statements of the Scheme.

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

Details of Non-Compliant Investments

Particulars	Type of Investment	Value of Investment before Provision	Provision held	Value of Investment after Provision	% Net Assets	% Gross Assets
Saudi Pak Leasing	TFC	27,547,410	27,547,410	-	-	-
Eden Housing (Sukuk II)	SUKUK	9,843,750	9,843,750	-	-	-
New Allied Electronics (Sukuk I)	SUKUK	10,000,000	10,000,000	-	-	-
Total		**47,391,160**	**47,391,160**	**-**	**-**	**-**

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit Holders of the NBP Balanced Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Balanced Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and income statement, statement of comprehensive income, statement of movements in unit holder's fund, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and the Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Key Audit Matter	How the matter was addressed in our audit
Net Asset Value (refer note 5 to the financial statements)	
Valuation and existence of investment Investments held at fair value through profit or loss represent are disclosed in note 5.3 and 5.4 to the financial statements and represent significant portion of the net assets of the Fund. The Fund's primary activity is, inter alia, to invest in listed equity shares and debt, which are the main driver of the Fund's performance. Considering the above factors, the valuation and existence of investments are significant areas during our audit due to which we have considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained understanding of relevant controls placed by the Management Company applicable to the balance; • independently verified existence of investments from Central Depository Company (CDC) statements and other relevant document; • performed test of details on sale, purchase and maturity of investments on a sample basis; • tested valuation of investments; and • any differences identified during our testing that were over our acceptable threshold were investigated further.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors (the Board) for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements of the Fund for the year ended June 30, 2020, were audited by another firm of auditors who in their audit report dated September 29, 2020 expressed an un-modified opinion.

Report on Other Legal and Regulatory Requirements

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Date: September 30, 2021

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
ASSETS		---------Rupees in 000---------	
Bank Balances	4	**403,868**	554,469
Investments	5	**1,233,854**	855,228
Dividend and profit receivables	6	**3,436**	6,040
Advance, deposits and prepayment	7	**13,102**	3,853
Receivable against sale of investments		**-**	2,132
Receivable against transfer of units		**149**	-
Total assets		**1,654,409**	1,421,722
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	8	**10,118**	7,334
Payable to Central Depository Company of Pakistan Limited - Trustee	9	**248**	225
Payable against redemption of units		**82**	-
Payable to Securities and Exchange Commission of Pakistan	10	**312**	285
Accrued expenses and other liabilities	11	**35,976**	32,159
Total liabilities		**46,736**	40,003
NET ASSETS		**1,607,673**	1,381,719
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**1,607,673**	1,381,719
CONTINGENCIES AND COMMITMENTS	12		
		(Number of units)	
NUMBER OF UNITS IN ISSUE	13	**83,043,193**	82,778,864
		(Rupees)	
Net assets value per unit		**19.3595**	16.6917

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

INCOME	Note	2021	2020
		---------Rupees in 000---------	
Income from term finance certificate and sukuks		**12,929**	19,887
Income From Term Deposit Receipt		**-**	3,236
Discount Income On Treasury Bills		**25,297**	12,845
Profit on bank deposits		**16,483**	39,581
Dividend Income		**44,828**	49,069
Gain on sale of investments at fair value through profit or loss (FVTPL) - Net		**44,111**	23,824
Net unrealised appreciation on re-measurement of investments at FVTPL		**187,952**	2,190
Total income		**331,600**	150,632
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company	8.1	**23,412**	21,553
Sindh Sales Tax on Remuneration to Management Company	8.2	**3,044**	2,802
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	**2,561**	2,423
Sindh Sales Tax on remuneration to Trustee	9.2	**332**	315
Selling and Marketing Expenses	8.3	**25,126**	17,913
Allocated expenses	8.4	**2,098**	1,423
Annual fee - Securities and Exchange Commission of Pakistan	10	**312**	285
Securities transaction costs		**1,181**	1,016
Auditors' remuneration	14	**829**	688
Settlement And Bank Charges		**495**	737
Mutual fund rating fee		**255**	232
Legal And Professional Charges		**243**	112
Printing and other charges		**109**	41
Annual listing fee		**28**	28
Total expenses		**60,025**	49,568
Net income from operating activities		**271,575**	101,064
Provision for Sindh Workers' Welfare Fund	11.1	**(5,432)**	(2,021)
Net income for the year before taxation		**266,143**	99,043
Taxation	15	**-**	-
Net income for the year		**266,143**	99,043
Allocation of net income for the year			
Net income for the year		**266,143**	99,043
Income already paid on units redeemed		**(5,549)**	(311)
		260,594	98,732
Accounting income available for distribution:			
Relating to capital gains		**226,917**	25,947
Excluding capital gains		**33,677**	72,785
		260,594	98,732

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----------Rupees in 000----------	
Net income for the year	**266,143**	99,043
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**266,143**	99,043

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Capital value	2021 Undistributed income	2021 Total	2020 Capital value	2020 Undistributed income	2020 Total
		(Rupees in '000)					
Net assets at beginning of the year		854,689	527,030	1,381,719	894,200	509,934	1,404,134
Issue of 3,602,612 units (2020: 4,551,136 units)							
- Capital value		60,134	-	60,134	75,212	-	75,212
- Element of income		8,523	-	8,523	3,559	-	3,559
Total proceeds on issuance of units		68,657	-	68,657	78,771	-	78,771
Redemption of 3,338,283 units (2020: 6,940,555 units)							
- Capital value		(55,722)	-	(55,722)	(114,426)	-	(114,426)
- Element of loss		(2,150)	(5,549)	(7,699)	(3,677)	(311)	(3,988)
Total payments on redemption of units		(57,872)	(5,549)	(63,421)	(118,103)	(311)	(118,414)
Total comprehensive Income / (loss) for the year		-	266,143	266,143	-	99,043	99,043
Interim Distribution for the year ended June 30, 2021 @ Rs 0.5554 per unit (Date of decleration 23 June 2021)	13.2						
- Cash distribution		-	(45,000)	(45,000)	-	(81,636)	(81,636)
- Refund of capital		(425)	-	(425)	(179)	-	(179)
		(425)	(45,000)	(45,425)	(179)	(81,636)	(81,815)
Net assets at end of the year		865,049	742,624	1,607,673	854,689	527,030	1,381,719
Undistributed income brought forward							
- Realised			524,840			660,449	
- Unrealised			2,190			(150,515)	
			527,030			509,934	
Accounting income available for distribution:							
Relating to capital gains			226,917			25,947	
Excluding capital gains			33,677			72,785	
			260,594			98,732	
Interim Distribution for the year ended 30 June 2021							
- Cash distribution	13.2		(45,000)			(81,636)	
Undistributed income carried forward			742,624			527,030	
Undistributed income carried forward							
- Realised			554,672			524,840	
- Unrealised			187,952			2,190	
			742,624			527,030	
				(Rupees)			(Rupees)
Net assets value per unit at beginning of the year				16.6917			16.4866
Net assets value per unit at end of the year				19.3595			16.6917

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		----------Rupees in 000--------	
CASH FLOWS FOR THE YEAR FROM OPERATING ACTIVITIES			
Net income for the year		**266,143**	99,043
Adjustments:			
Net unrealised appreciation on re-measurement of investments at FVTPL		**(187,952)**	(2,190)
		78,191	96,853
(Increase)/decrease in assets			
Investments		**(190,674)**	107,793
Dividend and profit receivables		**2,604**	3,133
Advance, deposits and prepayment		**(9,249)**	(11)
Receivable against sale of investment		**2,132**	(2,132)
		(195,187)	108,783
Increase/(decrease) in liabilities			
Payable to NBP Fund Management Limited - Management Company		**2,784**	824
Payable to Central Depository Company of Pakistan Limited - Trustee		**23**	(5)
Payable to Securities and Exchange Commission of Pakistan		**27**	(1,067)
Accrued expenses and other liabilities		**3,817**	5,750
		6,651	5,502
Net cash (used in) / generated from operating activities		**(110,345)**	211,138
CASH FLOWS FROM FINANCING ACTIVITIES	17		
Net receipts from issuance of units - net of refund of element		**68,083**	78,592
Net payments against redemption of units		**(63,339)**	(118,414)
Dividend paid		**(45,000)**	(81,636)
Net cash used in financing activities		**(40,256)**	(121,458)
Net (decrease) / increase in cash and cash equivalents		**(150,601)**	89,680
Cash and cash equivalents at beginning of the year		**554,469**	464,789
Cash and cash equivalents at end of the year	4	**403,868**	554,469

The annexed notes 1 to 29 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

1.5 The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company as on 23 June 2021, a short term performance ranking of 2 star and long term performance ranking of 4 star

1.6 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.

1.7 The Trust Act, 1882 has been repealed due to promulgation of the Provincial Trust Act “Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company to fulfill the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar (acting under Sindh Trusts Act, 2020)

2 BASIS OF PREPARATION

2.1 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 standards) 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 and the requirements VIIIA of the repealed Companies Ordinance, 1984; and

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the trust deed have been followed.

2.2 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Fund has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
Definition of a Business (Amendments to IFRS 3)	January 1, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	January 1, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	January 1, 2020
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	January 1, 2020

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

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

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

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
Annual improvements to IFRS standards 2018 - 2020 Cycle	January 1, 2020
IFRS 3 - References to Conceptual Framework	January 1, 2020
IAS 16 - Proceeds before intended use	January 1, 2020
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2020
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2020
IAS 8 - 'Definition of Accounting Estimates	January 1, 2020
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021

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

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

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

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 9 - ECL model on the financial assets due from Government	1 January 2023

2.3.3 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values. All the transactions have been accounted for an accrual basis except for the statement for cash flows.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial Assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.2 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.2.2.1 Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered insolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3.2.2.2 Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Fund has determined that it has two business models.

- Held-to-collect business model: this includes only cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.

- Other business model: this includes debt and equity securities. These financial assets are managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

3.2.2.3 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

3.2.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

3.2.5 Impairment of financial assets

Financial assets at amortised cost

The Fund applies simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets at amortized costs other than debts securities. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Funds' historical experience and informed credit assessment and including forward-looking information.

Provision for non performing debt securities and other exposure is made in accordance with the criteria specified in Circular No. 33 of 2012 dated October 24, 2012 issued by SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Fund Manager.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and are present separately in the income statement. The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and where the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.2.8 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2.9 Securities purchased under repurchased agreement

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the statement of assets and liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo transaction.

All reverse repo transactions are accounted for on the settlement date.

3.2.10 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is premeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.5 Taxation

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unitholders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of taxation in these financial statements as the Fund distributes more than ninety percent of its accounting income for the current year and intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load if applicable, is payable to the investment facilitators and the Management Company/distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the Management Company/distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.7 Element of Income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unit holders' fund.

3.8 Earnings per unit

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

3.9 **Net assets value per unit**

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.9.1 **Revenue recognition**

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as ''financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

- Discount on purchase of Market Treasury Bills is amortised to income statement using the straight line method.

- Profit on bank deposits, term deposit receipts, mark-up / return on investments in debt securities and income from government securities is recognised using the effective yield method

- Dividend income is recognised when the right to receive the same is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

3.9.2 **Distributions**

Distributions declared are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4 **BANK BALANCES**

	Note	**2021**	2020
		----------Rupees in 000---------	
In current accounts		**3,549**	6,592
In savings accounts	**4.1**	**400,319**	547,877
		403,868	554,469

4.1 These carry a rate of return ranging from 4.50%% to 7.75% (2020: 6.50%% to 13.30%) per annum.

5 **INVESTMENTS**

Investments by category	Note	**2021**	2020
		----------Rupees in 000---------	
Financial asset 'at fair value through profit or loss'			
- Listed equity securities	**5.1**	**1,066,890**	716,571
- Term finance certificates - listed	**5.2**	**-**	-
- Term finance certificates - unlisted	**5.3**	**40,769**	62,085
- Sukuk bonds	**5.4**	**126,195**	76,572
		1,233,854	855,228

5.1

Name of the investee company	Number of shares: As at 1 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of Shares)						Rupees in '000	Percentage		
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	342,096	277,000	-	-	107,500	511,596	48,617	3.02%	3.94%	0.012%
Pakistan Oilfields Limited	13,522	23,000	-	-	6,994	29,528	11,630	0.72%	0.94%	0.010%
Pakistan Petroleum Limited	352,342	206,000	-	-	83,000	475,342	41,274	2.57%	3.35%	0.018%
Mari Petroleum Company Limited	36,563	2,820	-	-	3,600	35,783	54,548	3.39%	4.42%	0.027%
							156,069	**9.70%**	**12.65%**	
Oil & Gas Marketing Companies										
Pakistan State Oil Company Limited	113,843	69,700	-	-	41,193	142,350	31,922	1.99%	2.59%	0.030%
Attock Petroleum Limited	16,261	-	-	-	-	16,261	5,220	0.32%	0.42%	0.016%
Hascol Petroleum Limited	777	-	-	-	-	777	7	0.00%	0.00%	0.000%
Sui Northern Gas Pipelines Limited	96,000	30,500	-	-	36,000	90,500	4,396	0.27%	0.36%	0.014%
							41,546	**2.58%**	**3.37%**	
Fertilizers										
Engro Fertilizers Limited	271,501	25,000	-	-	267,667	28,834	2,026	0.13%	0.16%	0.002%
Fauji Fertilizer Bin Qasim Limited	114,500	441,000	-	-	114,500	441,000	11,647	0.72%	0.94%	0.034%
Engro Corporation Limited	143,619	48,600	-	-	54,900	137,319	40,456	2.52%	3.28%	0.024%
Fauji Fertilizers Commpany Limited	436,901	33,600	-	-	122,900	347,601	36,880	2.29%	2.99%	0.027%
							91,009	**5.66%**	**7.37%**	
Chemicals										
Engro Polymer & Chemicals Limited	923,123	66,000	-	-	348,000	641,123	30,287	1.88%	2.45%	0.071%
Lotte Chemical Pakistan Limited	-	947,500	-	-	-	947,500	14,629	0.91%	1.19%	0.063%
ICI Pakistan Limited	-	2,400	-	-	-	2,400	2,085	0.13%	0.17%	0.003%
							47,001	**2.92%**	**3.81%**	
Cement										
Cherat Packaging Limited	-	80,900	-	-	12,200	68,700	12,186	0.76%	0.99%	0.035%
DG Khan Cement Pakistan Limited	96,500	102,000	-	-	107,000	91,500	10,790	0.67%	0.87%	0.021%
Fauji Cement Company Limited	454,000	376,000	-	-	195,500	634,500	14,594	0.91%	1.18%	0.046%
Kohat Cement Company Limited	74,750	46,400	-	-	1,700	119,450	24,665	1.53%	2.00%	0.060%
Lucky Cement Limited	97,664	16,500	-	-	26,400	87,764	75,779	4.71%	6.14%	0.027%
Maple Leaf Cement Factory Limited	-	376,500	-	-	128,181	248,319	11,666	0.73%	0.95%	0.023%
							149,679	**9.31%**	**12.13%**	
Automobile Parts & Accessories										
Thal Limited	11	5,500	-	-	-	5,511	2,330	0.14%	0.19%	0.007%
Textile Composite										
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	-	807,000	5,649	0.35%	0.46%	13.528%
Gul Ahmed Textile Mills Limited	491,800	16,500	53,160	-	242,500	318,960	16,181	1.01%	1.31%	0.062%
Kohinoor Textile Mills Limited	179,113	108,500	-	-	31,500	256,113	19,260	1.20%	1.56%	0.086%
Nishat (Chunin) Limited	68,000	108,000	-	-	-	176,000	8,851	0.55%	0.72%	0.073%
Interloop Limited	105,918	37,000	-	-	6,500	136,418	9,553	0.59%	0.77%	0.016%
Nishat Mills Limited	185,200	38,500	-	-	21,500	202,200	18,865	1.17%	1.53%	0.058%
							78,359	**4.87%**	**6.35%**	

Name of the investee company	Number of shares: As at 1 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of Shares)						Rupees in '000	Percentage		
Technology & Communication										
Netsol Technologies Limited	145,800	-	-	-	145,800	-	-	0.00%	0.00%	0.000%
Tpl Tracker Limited	-	355,000	-	-	-	355,000	6,216	0.39%	0.50%	0.190%
Systems Limited	83,550	-	6,955	-	14,000	76,505	42,860	2.67%	3.47%	0.055%
							49,076	**3.06%**	**3.97%**	
Engineering & Electronics										
Agha Steel Limited	-	624,000	-	-	258,000	366,000	12,345	0.77%	1.00%	0.064%
International Steels Limited	98,100	27,000	-	-	99,500	25,600	2,391	0.15%	0.19%	0.006%
International Industries Limited	-	4,600	-	-	-	4,600	971	0.06%	0.08%	0.004%
Mughal Iron & Steel Industries	592,000	100,000	-	49,600	382,000	359,600	37,542	2.34%	3.04%	0.123%
Aisha Steels Limited	-	34,000	-	-	-	34,000	847	0.05%	0.07%	0.004%
Ambreli Steels Limited	-	40,000	-	-	-	40,000	1,738	0.11%	0.14%	0.014%
Avaceon	-	18,500	3,700	-	-	22,200	2,035	0.13%	0.16%	0.009%
Pak Electron Limited	-	283,500	-	-	-	283,500	9,940	0.62%	0.81%	0.057%
							67,809	**4.23%**	**5.49%**	
Power Generation & Distirbution										
Lalpir Power Limited	544,000	-	-	-	276,000	268,000	4,786	0.30%	0.39%	0.071%
Pakgen Power Limited	373,000	-	-	-	217,000	156,000	3,847	0.24%	0.31%	0.042%
K-Electric limited	355,000	-	-	-	355,000	-	-	0.00%	0.00%	0.000%
Saif Power Limited	130,000	-	-	-	-	130,000	2,254	0.14%	0.18%	0.034%
The Hub Power Company Limited	588,915	161,500	-	-	86,000	664,415	52,934	3.29%	4.29%	0.051%
							63,822	**3.97%**	**5.17%**	
Commercial Banks										
Allied Bank Limited	57,800	-	-	-	-	57,800	4,286	0.27%	0.35%	0.005%
Bank Al-falah Limited	942,576	30,351	-	-	85,000	887,927	28,573	1.78%	2.32%	0.050%
Bank Al-Habib Limited	460,400	24,000	-	-	-	484,400	33,966	2.11%	2.75%	0.044%
Bank of Punjab	410,500	-	-	-	298,000	112,500	945	0.06%	0.08%	0.004%
Faysal Bank Limited	27,327	170,000	-	-	-	197,327	3,349	0.21%	0.27%	0.013%
Habib Bank Limited	382,180	71,200	-	-	-	453,380	55,480	3.45%	4.50%	0.031%
MCB Bank Limited	140,100	-	-	-	57,600	82,500	13,186	0.82%	1.07%	0.007%
Meezan Bank Limited	51,293	36,000	379	-	47,500	40,172	4,636	0.29%	0.38%	0.003%
National Bank of Pakistan	132,500	-	-	-	132,500	-	-	0.00%	0.00%	0.000%
United Bank Limited	216,391	45,000	-	-	-	261,391	31,942	1.99%	2.59%	0.021%
							176,363	**10.98%**	**14.31%**	
Insurance										
Adamjee Insurance Limited	90,500	50,000	-	-	18,500	122,000	**5,059**	**0.31%**	**0.41%**	0.035%
Glass and Ceramics										
Tariq Glass Industries Limited	183,000	-	37,125	-	43,000	177,125	18,843	1.17%	1.53%	0.129%
Shabbir Tiles & Ceramics Limited	100,000	574,000	-	-	92,000	582,000	19,410	1.21%	1.57%	0.243%
							38,252	**2.38%**	**3.10%**	

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	(Number of Shares)						Rupees in '000	Percentage		
Paper & Board										
Century Paper & Board Mills Limited	90,400	-	14,580	-	29,000	75,980	9,275	0.58%	0.75%	0.043%
Cherat Packaging Limited	87,010	-	-	-	87,010	-	-	0.00%	0.00%	0.000%
Packages Limited	13,500	-	-	-	4,600	8,900	4,852	0.30%	0.39%	0.010%
Roshan Packages Limited	-	75,000	-	-	7,000	68,000	2,240	0.14%	0.18%	0.048%
							16,367	**1.02%**	**1.32%**	
Food and Personal Care Products										
Matco Foods Limited	131,000	-	-	-	131,000	-	-	0.00%	0.00%	0.000%
Unity foods limited	-	41,000	-	-	16,500	24,500	1,091	0.07%	0.09%	0.003%
							1,091	**0.07%**	**0.09%**	
Automobile Assemblers and Accessories										
Honda Atlas Cars Limited	38,700	4,200	-	-	35,100	7,800	2,697	0.17%	0.22%	0.006%
Indus Motor Company Limited	1,220	-	-	-	-	1,220	1,530	0.10%	0.12%	0.002%
Millat Tractors Limited	12,200	2,700	1,738	-	1,000	15,638	16,882	1.05%	1.37%	0.028%
Panther Tyres Limited	-	53,500	-	-	-	53,500	3,698	0.23%	0.30%	0.038%
							24,808	**1.55%**	**2.01%**	
Pharma And Biotech										
AGP Limited	-	97,400	-	-	-	97,400	11,428	0.71%	0.93%	0.035%
Highnoon Laboratories Limited	1,254	10,200	1,020	-	1,254	11,220	6,732	0.42%	0.55%	0.030%
The Searle Company Limited	9,000	47,000	-	1,170	7,000	50,170	12,172	0.76%	0.99%	0.021%
Abot Laboraties	-	5,500	-	-	-	5,500	4,358	0.27%	0.35%	0.006%
Glaxosmithkline Consumer Healthcare Pakistan Limited	-	3,500	-	-	-	3,500	875	0.05%	0.07%	0.003%
IBL Healthcare Limited	-	68,500	-	-	6,500	62,000	6,890	0.43%	0.56%	0.115%
							42,456	**2.64%**	**3.45%**	
Miscellaneous										
Synthetic Product Enterprise Limited	2,080	-	-	-	2,080	-	**-**	**0.00%**	**0.00%**	0.000%
Footwear										
Service Global Footwear Limited	-	70,690	-	-	-	70,690	4,088	0.25%	0.33%	0.035%
Service Industries Limited	-	12,200	9,200	-	3,000	18,400	10,812	0.67%	0.88%	0.039%
							14,900	**0.92%**	**1.21%**	
Transportation and Warehouse										
Pakistan International Bulk Terminal Limited	-	78,500	-	-	-	78,500	**893**	**0.06%**	**0.07%**	0.004%
Total as at 30 June 2021							**1,066,890**	**66.37%**	**86.50%**	
Carrying value as at June 30, 2021							**879,917**			
Market value as at June 30, 2020							716,571			
Carrying value as June 30, 2020							715,540			

5.1.1 Investments include shares with market value of Rs. 45.65 million (30 June 2020: Rs. 40.06 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 23 October 2007 issued by the SECP.

	2021		2020	
Name of Investee Company	**Shares Pledged**	**Market Value**	Shares Pledged	Market Value
		(Rs. in '000)		(Rs. in '000)
Bank Al Habib Ltd.	**180,000**	**12,622**	180,000	9,414
Lucky Cement Limited	**9,000**	**7,771**	9,000	4,154
Nishat Mills Limited	**50,000**	**4,665**	50,000	3,901
Oil & Gas Development Company	**144,000**	**13,684**	144,000	15,696
Pakistan Petroleum Limited	**79,500**	**6,903**	79,500	6,889
	462,500	**45,645**	462,500	40,054

5.1.2 The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case.

During the year ended 30 June 2018, the Honorable Supreme Court of Pakistan (HSC) passed a judgement on 27 June 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs did not deposit the minimum 50% of the tax liability, as they did not have such tax in their book and accordingly the stay got vacated automatically during the year ended 30 June 2019. After that, the CISs have filed a fresh constitutional petition via CP 4653 dated 11 July 2019. In this regard, on 15 July 2019, the Honorable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs.

Further, the Finance Act, 2018 effective from 1 July 2018 has omitted Section 236M of income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 1.07 million (30 June 2020: Rs. 0.738 million) and not yet deposited in CDC account of department of Income Tax. The details of the bonus shares withheld are as follows:

Name of the company	2021		2020	
	Number of shares withheld	Market value as at June 30, 2021	Number of shares withheld	Market value as at June 30, 2020
		Rupees in 000		Rupees in 000
Pakistan State Oil	**1,142**	**256**	1,142	181
Hascol	**777**	**7**	777	11
Faysal Bank Limited	**27,327**	**464**	27,327	381
Kohinoor Textile Mills Limited	**4,639**	**349**	4,639	165
	33,885	**1,076**	33,885	738

5.2 Term finance certificates - listed - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates				As at 30 June 2021 Market value/Carrying value	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2020	Purchases during the year	Disposals during the year	As at 30 June 2021			
					(Rupees in '000)	---------------- (%)	----------------
Saudi Pak Leasing Company Limited (note 5.2.1)	**10,000**	**-**	**-**	**10,000**	**-**	**-**	**-**

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

5.3 Term finance certificates - unlisted - at fair value through profit or loss

Name of the investee company	Number of certificates				Market value /carrying value as at 30 June 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2020	Purchases during the year	Disposals/ Maturity during the year	As at 30 June 2021			
					(Rupees in '000)	---------------- (%)	----------------
Jahangir Siddiqui and Company Limited	8,000	-	8,000	**-**	**-**	**-**	**-**
JSCL (**Pre Restructuring Name:** Jahangir Siddiqui and Company Limited) (note 6.3.1)	17,100	-	-	**17,100**	**40,769**	**2.54**	**3.30**
	25,100	-	8,000	**17,100**	**40,769**		

5.3.1 Significant terms and conditions of term finance certificates and sukuks outstanding at the year end are as follows:

	Number of certificates	Repayment Frequency	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Unsecured							
Listed term finance certificates							
Saudi Pak Leasing Company Limited	10,000	Monthly	2,755	6.87% Fixed rate	13 March 2008	3 March 2017	Unrated
Unlisted term finance certificates							
JSCL (Before restructuring: Jahangir Siddiqui Company Limited)	17,100	Semi Annually	3,125	6 Month KIBOR offer rate plus 1.4%	18 July 2017	18 July 2022	AA+

5.4 Sukuk bonds - unlisted - at fair value through profit or loss

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

Name of the investee company	Number of certificates				Market value /carrying value as at 30 June 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2020	Purchases during the year	Disposals during the year	As at 30 June 2021			
					(Rupees in '000)	---- (%) ----	
Hub Power Company Limited	500	-	-	**500**	**50,997**	**3.17**	**4.13**
Shakarganj Food Products Limited	30	-	-	**30**	**25,023**	**1.56**	**2.03**
Mughal Iron & Steel Industries Limited	-	50	-	**50**	**50,175**	**3.12**	**4.07**
New Allied Electronics Industries (Private) Limited (note 6.4.1)	32,000	-	-	**32,000**	**-**	**-**	**-**
Eden Housing Limited (note 6.4.2)	10,000	-	-	**10,000**	**-**	**-**	**-**
Total as at 30 June 2021	42,530	50	-	**42,580**	**126,195**	**7.85**	**10.23**

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

5.4.2 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision of Rs. 9.844 million as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

5.4.3 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5.4.4 Significant terms and conditions of sukuks bonds outstanding at the year end are as follows:

	Number of certificates	Repayment Frequency	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Secured							
Unlisted sukuk							
New Allied Electronics Industries (Private) Limited	32,000	Quarterly	313	3 Month KIBOR offer rate plus 2.6%	27 July 2007	25 July 2016	Unrated
Eden Housing Limited	10,000	Quarterly	984	3 Month KIBOR offer rate plus 3%	31 March 2008	29 September 2016	Unrated

6 DIVIDEND AND PROFIT RECEIVABLES

	Note	2021	2020
		---------Rupees in 000---------	
Profit receivable on savings accounts		**277**	1,153
Dividend receivables		**152**	-
Accrued markup on term finance certificates and sukuks		**12,195**	14,075
Less: Income suspended over non-performing term finance certificates and sukuks	5.2.1, 5.4.1 & 5.4.2	**(9,188)**	(9,188)
		3,007	4,887
		3,436	6,040

7 ADVANCE, DEPOSITS AND PREPAYMENT

	Note	2021	2020
Advance tax	7.1	**882**	882
Security deposits with:			
- Central Depository Company of Pakistan Limited		**100**	100
- National Clearing Company of Pakistan Limited		**2,750**	2,750
Prepaid fee	7.2	**133**	121
Advance against IPO/ bookbuilding		**9,237**	-
		13,102	3,853

7.1 As per clause 47(B) of part IV of the Second Schedule to the income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposit and investment paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of inland Revenue (CIR) is not produced before him by the withholdee. The tax withhold on dividends and profit on bank deposits as at 30 June 2021 amounts to Rs. 0.882 million (2020: Rs. 0.882 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorizing all CISs to file an appeal in the Honorable Supreme Court (HSC) through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the HSC by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the HSC granted the petitioners leave to appeal from the initial judgement of HCS. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as Advance tax as at 30 June 2021 as in the opinion of the management, the amount of tax deducted at source will be refunded.

7.2 This represents the prepaid credit rating fees to PACRA, annual listing fee paid to Pakistan Stock Exchange and also prepayments to NCCPL for the clearing services provided.

8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2021	2020
		---------Rupees in 000---------	
Management Remuneration	8.1	**2,026**	1,729
Sindh Sales Tax on management remuneration	8.2	**263**	225
Sales and transfer load		**197**	51
Sindh Sales Tax on sales load		**26**	7
Selling and marketing expense	8.3	**7,005**	4,975
Allocated expenses	8.4	**600**	347
Adc Share including sindh sales tax		**1**	-
		10,118	7,334

8.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2% of average annual net assets of the fund till 11 July 2019 and with effective from 12 July 2019 the Management Company has revised its remuneration rate and charged it at the rate of 1.5% of the average net assets of the fund.

8.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) was charged on management remuneration and sales load.

8.3 As per Circular 11 of 2019 dated 5 July 2019 issued by SECP, 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 condition for charging of selling and marketing expense to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 5 of 2017 and circular No. 05 of 2018. These expense shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expense:

Effective Dates	Applicable Rates
From July 1, 2019 till July 11, 2019	0.4% per annum of average daily net assets
From July 12, 2019 till December 16, 2019	1.15% per annum of average daily net assets
From December 17, 2019 till May 10, 2020	1.35% per annum of average daily net assets
From May 11, 2020 till Jan 25, 2021	1.5% per annum of average daily net assets
From Jan 26, 2021 till June 30, 2021	1.75% per annum of average daily net assets

8.4 In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the management company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. Accordingly, such expense has been charged at the rate of 0.1% of average annual net assets of the Fund.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2021	2020
		---------Rupees in 000---------	
Trustee remuneration	9.1	**220**	199
Sindh Sales Tax on Trustee remuneration	9.2	**28**	26
		248	225

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund as stated below under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund.

Net assets	Tariff per annum
Up to Rs. 1 billion	0.20% per annum of net asset
On an amount exceeding Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net asset value exceeding Rs. 1 billion.

The remuneration is paid to Trustee monthly in arrears.

9.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh of 13% (30 June 2020: 13%) was charged on trustee remuneration.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	**Note**	**2021**	2020
		----------Rupees in 000----------	
Annual fee payable	10.1	**312**	285

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme categorized as a balanced scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan. With effect from 1st July 2019 SECP has revised its fee rate to 0.02 percent per annum of the average net assets of the Fund. The fee is paid annually in arrears. The fee is paid annually in arrears.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	**Note**	**2021**	**2020**
		----------Rupees in 000----------	
Provision for Sindh Workers' Welfare Fund	11.1	**19,666**	14,235
Federal Excise Duty on management remuneration	11.2	**11,587**	11,587
Federal Excise Duty on sales load		**818**	818
Dividend payable		**493**	493
Auditors' remuneration		**591**	540
Brokerage fee		**296**	176
Settlement and bank charges		**291**	233
Withholding tax		**1,824**	3,591
Legal and professional charges		**140**	95
Others		**209**	303
CGT Payable		**61**	88
		35,976	32,159

11.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High court. The Honorable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

Subsequent to the year ended June 30, 2021, SRB issued a letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF.

Had the provision for SWWF been reversed in the financial statements of the Fund for the period from January 18, 2016 to June 30, 2021, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.2368 (2020: Re. 0.1720) per unit.

11.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 11.942 million out of which Rs. 0.355 million have been paid to the Management Company (30 June 2020: Rs. 11.942 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.1395 June 2020: Rs. 0.1499) per unit.

12 CONTINGENCY AND COMMITMENT

There is no contingency and commitment as at 30 June 2021 (2020: Nil).

13 NUMBER OF UNITS IN ISSUE

	Note	2021	2020
		(Number of units)	
Total units in issue at beginning of the year		**82,778,864**	85,168,283
Add: units issued against			
- Sale	13.1	**3,580,931**	4,540,411
- Refund of capital at zero value	13.2	**21,681**	10,725
Less: units redeemed		**(3,338,283)**	(6,940,555)
Total units in issue at end of the year		**83,043,193**	82,778,864

13.1 This includes 1,213,476 units issued against Dividend Reinvestment amounting to Rs. 23,770,899, net of taxation.

13.2 The Management Company on 23 June 2021 declared interim distribution amounted to Rs. 0.5554 per unit (for full period) for the year ended 30 June 2021. The aggregate cash distribution is Rs. 44.99 million was in addition to refund of capital / element of income by issuing 21,681 additional units to eligible unitholders at zero price as per MUFAP guidelines (duly consented upon by SECP) included in units issued above.

14 AUDITORS' REMUNERATION

	2021	2020
	----------Rupees in 000---------	
Audit fee	**425**	355
Half yearly review	**170**	164
Out of pocket expenses and others including government levy	**234**	169
	829	688

15 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, 2001subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders as per distribution policy (refer note 3.9.2 and 13.2), no provision for taxation has been made in these financial statements.

16 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

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

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

The following are the details of non-compliant investments:

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Value as a percentage of net assets	Value as a percentage of gross assets
			------------- (Rupees in '000)	-------------	-------------	-------- (%)	---------
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates (16.1)	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	9,844	(9,844)	-	-	-

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

16.2 The management is taking steps to ensure compliance with the above requirements.

17 RECONCILIATION OF RECEIVABLE AND LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against sale of units	Payable against redemption of units	Dividend payable	Total
	(Rupees in '000)			
Balance as at 1 July 2020	-	-	-	-
Receivable against issuance of units	68,232	-	-	68,232
Payable against redemption of units	-	(63,421)	-	(63,421)
Dividend Payable	-	-	(45,000)	(45,000)
	68,232	(63,421)	(45,000)	(40,189)
Amount received on issuance of units	(44,312)	-	-	(44,312)
Amount paid on redemption of units	-	63,339	-	63,339
Dividend reinvested		-	25,575	25,575
Dividend paid	(23,771)	-	19,425	(4,346)
	(68,083)	63,339	45,000	40,256
Balance as at 30 June 2021	**149**	**(82)**	**-**	**67**

18 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 4.19% per annum (2020: 3.63% per annum). Total expense ratio (excluding government levies) is 3.61% per annum (2020: 3.25% per annum)

19 FINANCIAL INSTRUMENTS BY CATEGORY

	30 June 2021		
	At Amortised Cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Assets			
Bank balances	**403,868**	**-**	**403,868**
Investments	**-**	**1,233,854**	**1,233,854**
Dividend and profit receivables	**3,436**	**-**	**3,436**
Deposits	**2,850**	**-**	**2,850**
Receivable against transfer of units	**149**	**-**	**149**
	410,303	**1,233,854**	**1,644,157**
Liabilities			
Payable to NBP Fund Management Limited - Management Company	**10,118**	**-**	**10,118**
Payable to Central Depository Company of Pakistan - Trustee	**248**	**-**	**248**
Accrued expenses and other liabilities	**2,020**	**-**	**2,020**
	12,386	**-**	**12,386**

	30 June 2020		
	At amortised Cost	At fair value through profit or loss	Total
	------------------------- (Rupees in '000) -------------------------		
Assets			
Bank balances	554,469	-	554,469
Investments	-	855,228	855,228
Profit receivables	6,040	-	6,040
Deposits	2,850	-	2,850
Receivable against sale of investment	2,132	-	2,132
	565,491	855,228	1,420,719
Liabilities			
Payable to NBP Fund Management Limited - Management Company	7,334	-	7,334
Payable to Central Depository Company of Pakistan Limited - Trustee	225	-	225
Accrued expenses and other liabilities	1,840	-	1,840
	9,399	-	9,399

20 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

20.1 Connected persons include NBP Fund Management Limited (NBP Funds) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding 10 percent or more units of the Fund.

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

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

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

20.5 **Transactions during the year:**	**2021**	2020
	------------**Rupees in 000**----------	
NBP Fund Management Limited Management Company		
Management Remuneration	**23,412**	21,553
Sindh Sales Tax on remuneration of Management Company	**3,044**	2,802
Selling and Marketing Expense	**25,126**	17,913
Allocation of expenses related to registrar services, accounting, operation and valuation services	**2,098**	1,423
Sales Load	**405**	288
Adc charges	**1**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**2,561**	2,423
Sindh Sales Tax on remuneration of Trustee	**332**	315
CDS charges	**70**	121

	2021	2020
	------------Rupees in 000----------	
Employees of the Management Company		
Units issued: 73,774 (2020: 5,548 units)	**1,393**	95
Dividend Re-invest Units Issued: 156 (2020: 191)	**3**	3
Units redeemed: 56,650 units (2020: 18,731 units)	**1,067**	311
Pakistan Stock Exchange		
Listing Fee	**25**	25
Hub Power Company Limited		
Shares purchased: 161,500 units (2020: 213,500 units)	**13,452**	14,633
Shares Sold: 86,000 (2020: 198,500 units)	**6,928**	18,599
Sukuk purchased: Nil (2020: 500 units)	**-**	50,000
Sukuk Income	**4,680**	6,677
NBP Employees Pension Fund		
Dividend Re-invest Units Issued: 796,430 (2020: 1,625,383)	**15,601**	27,031
National Clearing Company Limited (NCCPL)		
NCCPL Charges	**306**	429
Ronak Iqbal Lakhani		
Dividend Re-invest Units Issued: 204,345 (2020: 420,686)	**4,003**	6,996
Telenor Pakistan (PVT) Limited Employees Gratuity Fund		
T bills sold: 750,000 units (2020:Nil)	**73,464**	-
Bayer Pakistan (Private) Limited Employees Gratuity Fund		
Units redeemed: Nil (2020: 41,513 units)	-	674
Aftab Hussain		
Units redeemed: Nil (2020: 122,056 units)	-	1,962
CCL Employees Provident Fund Trust		
Units redeemed: Nil (2020: 1,047,940 units)	-	17,695
National Bank of Pakistan		
Shares purchased: (2020: 62,500 shares)	**-**	1,908
Shares sold: 132,500 (2020: Nil)	**5,125**	-
International Steel Limited		
Shares purchased: 27,000 shares (2020: 124,000 shares)	**2,304**	4,605
Shares sold: 99,500 shares (2020: 131,000 shares)	**-**	5,363
Dividend Income	**-**	239
Fauji Fertilizer Company Limited**		
Shares purchased: 33,600 (2020: 204,000)	**3,766**	19,462
Shares sold: 122,900 (2020: 242,600)	**13,530**	24,031
Gul Ahmed Textile Mills Limited**		
Shares purchased: 16,500 (2020: Nil)	**802**	-
Shares sold: 242,500 (2020: 176,000)	**-**	7,598
Bonus dividend: 53,160 (2020: Nil)	**-**	1,104
Taurus Securities Limited		
Brokerage Charges	**68**	55

		2021	2020
		------------Rupees in 000----------	
	NBP Islamic Income Fund		
	Purchase of Term Finance Certificate	**-**	26,012
	NBP Money Market Fund		
	Purchase of Treasury bills	**-**	-
	Sale of Treasury bills	**-**	98,526
	CDC Trustee NBP Stock Fund		
	Sale of equity securities : Nil (2020: 400,700 shares)	**-**	20,500
	CDC Trustee NBP Islamic Stock Fund		
	Sale of equity securities : Nil (2020: 278,000 shares)	**-**	32,684
20.6	**Amounts outstanding as at year end:**		
	NBP Fund Management Limited - Management Company		
	Management remuneration payable	**2,026**	1,729
	Sindh Sales Tax payable	**263**	225
	Selling and marketing expense	**7,005**	4,975
	Allocated expenses	**600**	347
	Sales load and Sindh Sales Tax payable	**10,118**	58
	Adc share including sindh sales tax	**1**	-
	Employees of the Management Company		
	Units held: 22,540 units (2020: 5,260 units)	**436**	88
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	**220**	199
	Sindh Sales Tax payable	**28**	26
	Settlement charges payable	**155**	116
	Security deposit	**100**	100
	Gul Ahmed Textile Mills Limited**		
	Ordinary shares held: 318,960 (2020:491,800 shares)	**16,181**	14,080
	Fauji Fertilizer Company Limited		
	Ordinary shares held: 347,601 (2020: 436,900 shares)	**36,880**	48,055
	Ronak Iqbal Lakhani		
	Units held: 8,683,522 units (2020: 8,479,177 units)	**168,109**	141,532
	National Bank of Pakistan		
	Bank Balance in current account	**920**	3,700
	Ordinary shares held: Nil (2020: 132,500 shares)	**-**	3,664
	NBP Employees Pension Fund		
	Units held: 28,886,715 units (2020: 28,090,285 units)	**559,232**	468,875
	Karachi Electric Provident Fund		
	Units held: 34,224,720 units (2020: 34,224,720 units)	**662,573**	571,269
	Summit Bank*		
	Bank Balance in current account	**2,628**	-
	Bank Islami Pakistan Limited		
	Bank Balance in savings account	**167**	4

	2021	2020
	------------Rupees in 000----------	
Taurus Securities Limited		
Brokerage Payable	**-**	2,335
Hub Power Company Limited		
Ordinary shares held: 664,615 (2020: 588,922 shares)	**52,934**	42,697
Sukuk: Nil units (2020 : 500 units)	**-**	51,072
International Steel Limited		
Ordinary shares held: 25,600 (2020: 98,100 shares)	**2,391**	5,067
National Clearing Company of Pakistan Limited (NCCPL)		
NCCPL Charges Payable	**86**	117
Security Deposits	**2,750**	2,750

21 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

S. No	Name	Qualifications	Experience "in years"
1	Dr. Amjad Waheed	Doctorate in Business Administration, MBA and CFA	33
2	Mr. Sajjad Anwar	CFA / MBA Finance	21
3	Mr. Hassan Raza	ACCA / CFA / BSC	10
4	Mr. Muhammad Ali Bhabha	MBA / MS (CS) / CFA / FRM	26
5	Asim Wahab Khan*	CFA	15

*Mr. Asim Wahab Khan is the Manager of the Fund. He is also managing NBP Sarmaya Izafa Fund , NBP Islamic Sarmaya Izafa Fund, NBP Stock Fund , NBP Financial Sector Income Fund, NBP Islamic Energy Fund, NBP Islamic Active Allocation Equity Fund and NBP Islamic Regular Income Fund.

22 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

List of brokers by percentage of commission paid during the year ended 30 June 2021:

S. No	Particulars	Percentage (%)
1	Taurus Securities Limited	5.72%
2	J.S. Global Capital Limited	5.38%
3	Foundation Securities	5.34%
4	Insight Securities (Pvt.) Limited	5.26%
5	Efg Hermes Pakistan Ltd	4.32%
6	Topline Securities Limited	4.32%
7	Alfalah Securities (Pvt) Limited	4.24%
8	Bma Capital Management Limited	4.15%
9	Optimus Capital Management Limited	4.12%
10	Aqeel Karim Dehdi Securities (Pvt) Limited	3.91%

List of brokers by percentage of commission paid during the year ended 30 June 2020:

S. No	Particulars	Percentage (%)
1	Sherman Securities (Pvt) Limited	10.34%
2	Alfalah Securities (Pvt) Limited	7.53%
3	Taurus Securities Limited	6.36%
4	Intermarket Securities	5.75%
5	Al Habib Capital Markets (Pvt) Limited	5.52%
6	Arif Habib Securities Limited	5.47%
7	Next Capital Limited	5.17%
8	Efg Hermes Pakistan Limited	4.62%
9	Bipl Securities Limited	4.56%
10	Foundation Securities	4.48%

23 PATTERN OF UNIT HOLDING

	As at 30 June 2021		
	Number of unit holders	**Investment amount (Rupees in '000)**	**Percentage of investment ---- (%) ---**
Category			
Individuals	**393**	**326,489**	**20%**
Associated Companies and Directors	**1**	**559,232**	**35%**
Insurance Companies	**1**	**212**	**0.01%**
Retirement Funds	**11**	**692,690**	**43%**
Others	**6**	**29,050**	**2%**
	412	**1,607,673**	**100%**

	As at 30 June 2020		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of investment ---- (%) ---
Category			
Individuals	416	291,757	21%
Associated company and directors	1	468,875	34%
Insurance company	1	178	0%
Retirement funds	10	596,277	43%
Others	6	24,632	2%
	434	1,381,719	100%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 76th, 77th, 78th, 79th, 80th Board meetings were held on July 16, 2020, September 17, 2020, October 27, 2020, February 26, 2021 and April 30, 2021 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held / Applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
*Mr. Saad ur Rahman Khan	3	2	1	77th Meeting
Syed Hasan Irtiza Kazmi	5	5	-	-
Mr. Ali Saigol	5	5	-	-
Mr. Imran Zaffar	5	5	-	-
Mr. Khalid Mansoor	5	5	-	-
Mr. Humayun Bashir	5	5	-	-
Mr. Saad Amanullah Khan	5	5	-	-
Dr. Amjad Waheed	5	5	-	-
**Ms. Mehnaz Salar	2	2	-	-

*Mr. Saad ur Rahman Khan retired from the Board with effect from December 03, 2020.

**Ms. Mehnaz Salar was appointed as the director on the Board with effect from February 03, 2021.

25 FINANCIAL RISK MANAGEMENT

The Fund’s objective in managing risk is the creation and protection of unit holders’ value. Risk is inherent in the Fund’s activities, but it is managed through monitoring and controlling activities which are based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

The Fund's risk management policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The management of these risks is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. IC is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invests in a portfolio of listed equity securities, money market investments such as government securities, secured privately placed instruments, spread transactions, continuous funding system transactions and investments in other money market instruments (including the clean placements). Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

25.1 Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk (equity price risk).

Management of market risk

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors and regulations laid down by SECP.

25.1.1 Currency risk

Currency risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

25.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(a) Sensitivity analysis for variable rate instruments

As at 30 June 2021, the Fund holds KIBOR based interest bearing term finance certificates and bank balances exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on 30 June 2021, with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.2941 million (30 June 2020: Rs. 1.373 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds no fixed rate instruments.

Yield/interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on settlement date.

	30 June 2021					
	Yield / interest rate	Exposed to yield / interest rate risk				Total
		Upto three months	More than three months and up to one year	More than one year	Not exposed to Yield / Interest risk	
	--%--	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	4.5 % - 7.75%	400,319	-	-	3,549	403,868
Investments	7.39 % - 10.8%	-	126,195	40,769	1,066,890	1,233,854
Dividend and profit receivables		-	-	-	3,436	3,436
Deposits		-	-	-	2,850	2,850
		400,319	126,195	40,769	1,076,725	1,644,008
Financial liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	10,118	10,118
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	248	248
Accrued expenses and other liabilities		-	-	-	2,020	2,020
		-	-	-	12,386	12,386
On-balance sheet gap		400,319	126,195	40,769	1,064,339	1,631,622
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		400,319	126,195	40,769	1,064,339	1,631,622
Cumulative interest rate sensitivity gap		400,319	526,514	567,283		

	30 June 2020					
	Yield / interest rate	Exposed to yield / interest rate risk				Total
		Upto three months	More than three months and up to one year	More than one year	Not exposed to Yield / Interest risk	
	--%--	------------------------------------- (Rupees in '000)			-------------------------------------	
On-balance sheet financial instruments						
Financial assets						
Bank balances	3.75 % - 13.85%	547,877	-	-	6,592	554,469
Investments	7.32 % - 17.54%	-	86,420	52,237	716,571	855,228
Dividend and profit receivables		-	-	-	6,040	6,040
Receivable against sale of investment					2,132	2,132
Deposits		-	-	-	2,850	2,850
		547,877	86,420	52,237	734,185	1,420,719
Financial liabilities						
Payable to NBP Fund Management Limited - Management Company		-	-	-	7,334	7,334
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	225	225
Accrued expenses and other liabilities		-	-	-	1,840	1,840
		-	-	-	9,399	9,399
On-balance sheet gap		547,877	86,420	52,237	724,786	1,411,320
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		547,877	86,420	52,237	724,786	1,411,320
Cumulative interest rate sensitivity gap		547,877	634,297	686,534		

25.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial

The fund is exposed to equity price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities 'at fair value through profit and loss'.

The Fund manages the risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund or weight of that company in KSE 30 index, whichever is higher, with overall limit of 25% to a single industry sector of the net assets of the Fund or weight of that sector in KSE 30 index, whichever is higher (the limit set by offering documents). The Fund also manages its exposure to price risk by diversifying its portfolio within the eligible stocks prescribed in the constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. (Refer note 6.1 for exposure limits).

In case of 5% increase / decrease in KSE 30 index on 30 June 2021, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 53.344 million (2020: Rs. 35.829 million) as a result of gains / (losses) on equity securities classified 'at fair value through profit and loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 30 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 30 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 30 index.

25.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment and bank balances. Risks attributable to investments in Term Finance Certificates is limited as the counter parties are financial institutions with reasonably high credit ratings. While bank balances are maintained with banks with a reasonably high credit rating.

The analysis below summarizes the credit quality of the Fund's bank balances. The bank ratings are based on The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited as at 30 June 2021 and 30 June 2020.

Bank Balances	**2021**	2020
	------------Rupees in 000	**----------**
AAA	**25,707**	421,266
AA+	**368,652**	14,810
AA	**306**	1,780
AA-	**6,356**	113,630
A+	**167**	33
A-	**50**	-
A	**-**	13
Suspended	**2,629**	2,937
	403,867	554,469

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 is the carrying amount of the financial assets. Concentration of credit risk.

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

*The credit rating of Summit Bank remains suspended as at June 30, 2021 as released by VIS Credit Rating Company Limited

25.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

Management of liquidity risk

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in the market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to ten percent of the net assets up to 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, during the current year, no borrowing was obtained by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

Maturity analysis for financial liabilities

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	30 June 2021			
	Up to three months	**Over three months and up to one year**	**Over one year**	**Total**
	(Rupees in '000)			
Financial liabilities				
Payable to NBP Fund Management Limited - Management Company	**10,118**	-	-	**10,118**
Payable to Central Depository Company of Pakistan Limited - Trustee	**248**	-	-	**248**
Accrued expenses and other liabilities	**2,020**	-	-	**2,020**
	12,386	-	-	**12,386**
Unit holders' fund	**1,607,673**	**-**	**-**	**1,607,673**

	30 June 2020			
	Up to three months	Over three months and up to one year	Over one year	Total
	(Rupees in '000)			
Financial liabilities				
Payable to NBP Fund Management Limited - Management Company	7,334	-	-	7,334
Payable to Central Depository Company of Pakistan Limited - Trustee	225	-	-	225
Accrued expenses and other liabilities	1,840	-	-	1,840
	9,399	-	-	9,399
Unit holders' fund	1,381,719	-	-	1,381,719

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Quoted prices (unadjusted) in active markets for identical assets or Liabilities (level 1).

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

		30 June 2021							
		Carrying value				Fair value			
		At fair value through profit or loss	At Amortised Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Listed equity securities		1,066,890	-	-	1,066,890	1,066,890	-	-	1,066,890
- Term finance certificate		40,769	-	-	40,769	-	40,769	-	40,769
- Sukkuks		126,195	-		126,195	-	126,195	-	126,195
		1,233,854	-	-	1,233,854	1,066,890	166,964	-	1,233,854
Financial assets not measured at fair value	26.1								
Bank balances		-	403,868	-	403,868				
Dividend and profit receivables		-	3,436	-	3,436				
Deposits		-	2,850	-	2,850				
Receivable against sale of investment		-	149		149				
		-	410,303	-	410,303				
Financial liabilities not measured at fair value	26.1								
Payable to National Investment Trust Limited - Management Company		-	10,118	-	10,118				
Payable to Central Depository Company of Pakistan Limited - Trustee		-	248	-	248				
Accrued expenses and other liabilities		-	2,020	-	2,020				
		-	12,386		12,386				

		30 June 2020							
		Carrying value				Fair value			
		At fair value through profit or loss	At Amortised Cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments									
- Listed equity securities		716,571	-	-	716,571	716,571	-	-	716,571
- Term finance certificate		62,085	-	-	62,085	-	62,085	-	62,085
- Sukkuks		76,572	-	-	76,572	-	76,572	-	76,572
- Term deposit receipt		-	-	-	-	-	-	-	-
		855,228	-	-	855,228	716,571	138,657	-	855,228
Financial assets not measured at fair value	27.1								
Bank balances		-	554,469	-	554,469				
Dividend and profit receivables		-	6,040	-	6,040				
Deposits		-	2,850	-	2,850				
Receivable against sale of investment		-	2,132		2,132				
		-	565,491	-	563,359				
Financial liabilities not measured at fair value	27.1								
Payable to National Investment Trust Limited - Management Company		-	7,334		7,334				
Payable to Central Depository Company of					-				
Pakistan Limited - Trustee		-	225		225				
Accrued expenses and other liabilities		-	1,840		1,840				
		-	9,399		9,399				

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

26.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

27 UNIT HOLDERS' FUND RISK MANAGEMENT

The units holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units.

As at 30 June 2021, The Fund meets the requirement of sub-regulation 54 (3a) which requires that the minimum size of an Open End Fund shall be one hundred million rupees at all time during the life of the Fund.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 26, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by short term borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2021.

For NBP Fund Management Limited
(Management Company)

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

PERFORMANCE TABLE

Particulars	For the Year Ended Jun 30,2021	For the Year Ended Jun 30,2020	For the Year Ended Jun 30,2019	For the Year Ended Jun 30,2018	For the Year Ended Jun 30,2017	For the Year Ended Jun 30,2016
Net assets (Rs. '000')	1,607,673	1,381,719	1,404,134	1,654,024	1,847,113	1,327,842
Net Income/(Loss) (Rs. '000')	266,143	99,043	(133,647)	(118,970)	421,936	119,947
Net Asset Value per units (Rs.)	19.3595	16.6917	16.4866	18.0084	19.2708	15.6377
Selling price per unit	20.0158	17.2575	17.0446	18.6189	19.9241	16.2581
Redemption price per unit	19.3595	16.6917	16.4866	18.0084	19.2708	15.6377
Ex - Highest offer price per unit (Rs.)	20.4580	19.5827	19.2010	20.1548	22.3718	16.3672
Ex - Lowest offer price per unit (Rs.)	16.9263	14.6604	16.9231	17.4387	16.3820	14.2142
Ex - Highest redemption price per unit (Rs.)	19.7872	18.9406	18.5716	19.4940	20.6768	15.7427
Ex - Lowest redemption price per unit (Rs.)	16.3714	14.1797	16.3682	16.8669	15.0358	13.6718
Fiscal Year Opening Nav		15.5344	18.0084	19.2708	15.0058	14.3873
Total return of the fund	19.3%	7.4%	-8.45%	-6.20%	28.42%	8.69%
Capital growth	16.4%	7.4%	-8.45%	-6.20%	22.99%	2.31%
Income distribution as % of Ex-NAV	2.83%	1.32%	-	0.00%	5.43%	6.38%
Income distribution as % of Par Value	5.55%	6.13%	-	0.00%	8.15%	9.77%
Distribution						
Interim Distribution per unit	0.5554	1.0214	-	-	0.8153	-
Final distribution per unit	-	-	-	-	0.0765	0.9771
Distribution dates						
Interim	23-Jun-21	24-Jun-20			19-Jun-17	
Interim					-	
Interim					-	
Final					15-Sep-17	29-Jun-16
Average annual return (launch date January 19, 2007)						
(Since inception to June 30, 2021)	**12.7%**					
(Since inception to June 30, 2020)		12.18%				
(Since inception to June 30, 2019)			12.57%			
(Since inception to June 30, 2018)				14.60%		
(Since inception to June 30, 2017)					16.83%	
(Since inception to June 30, 2016)						15.67%
(Since inception to June 30, 2015)						
(Since inception to June 30, 2014)						
(Since inception to June 30, 2013)						
(Since inception to June 30, 2012)						
(Since inception to June 30, 2011)						
Portfolio Composition (see Fund Manager report)						

Statement of past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Balanced Fund** duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfunds.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NBP BALANCED FUND			
Resolutions	**For**	**Against**	**Abstain***
12	**12**	Nil	N/A
100%	**100%**	-	-

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

Aitemaad اعتماد

NBP ISLAMIC MAHANA AMDANI FUND

ANNUAL REPORT
2021

AM1
Rated by PACRA

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. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Al Baraka Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
United Bank Limited
Zarai Taraqiati 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:

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

Board of Directors

Dr. Amjad Waheed, CFA
Chief Executive Officer

Shaikh Muhammad Abdul Wahid Sethi
Chairman

Mr. Khalid Mansoor
Director

Mr. Humayun Bashir
Director

Mr. Tauqeer Mazhar
Director

Mr. Ali Saigol
Director

Mr. Saad Amanullah Khan
Director

Ms. Mehnaz Salar
Director

Mr. Imran Zaffar
Director

Senior Management

Dr. Amjad Waheed, CFA
Chief Executive Officer

Mr. Sajjad Anwar, CFA
Chief Investment Officer

Mr. Samiuddin Ahmed
Country Head Corporate Marketing

Mr. Ozair Khan
Chief Technology Officer

Mr. Salim S Mehdi
Chief Innovation & Strategy Officer

Mr. Muhammad Murtaza Ali
Chief Operating Officer & Company Secretary

Mr. Khalid Mehmood
Chief Financial Officer

Mr. Asim Wahab Khan, CFA
Deputy Chief Investment Officer

Syed Sharoz Mazhar, CFA
Head of Business & Sales Strategy

Mr. Salman Ahmed, CFA
Head of Fixed Income

Mr. Zulfiqar Ali, CFA
Head of Business Planning and Analytics

Mr. Hassan Raza, CFA
Head of Research

Mr. Waheed Abidi
Head of Internal Audit

Mr. Zaheer Iqbal, ACA FPFA
Head of Operations

Muhammad Imran, CFA, ACCA
Head of Portfolio Management

Syed Haseeb Ahmed Shah
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Third Annual Report of **NBP Islamic Mahana Amdani Fund** (NIMAF) for the year ended June 30, 2021.

Fund's Performance

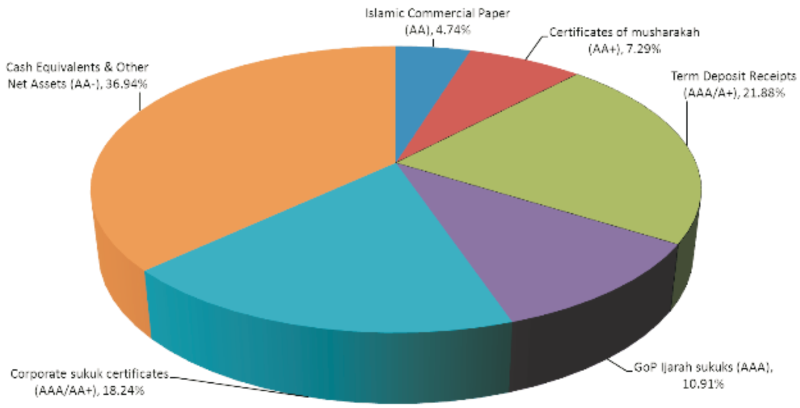
Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country.

NIMAF is categorized as a Shariah Compliant Income Fund. The Fund aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A- or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

Trading activity in corporate sukuks further reduced as cumulative traded value stood at Rs. 16 billion compared to Rs. 27 billion in FY2020. However, the fresh issuance of shariah compliant commercial papers helped the undersupplied market for long-term shariah-compliant debt instruments to some extent.

The size of NBP Islamic Mahana Amdani Fund has decreased from Rs. 20,313 million to Rs. 15,085 million during the period, i.e., a decline of 26%. During the said period, the unit price of the Fund has increased from Rs. 9.4359 (Ex-Div) on June 30, 2020 to Rs. 10.0493 on June 30, 2021 thus posting a return of 6.5% as compared to its Benchmark return of 3.6% for the same period. The return of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 1,412.029 million during the year. After deducting total expenses of Rs. 243.138 million, the net income is Rs. 1,168.891 million. The asset allocation of NIMAF as on June 30, 2021 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 6.41% of the opening ex-NAV (6.43% of the par value) during the year ended June 30, 2021.

Taxation

As the above cash dividend is more than 90% of the income earned during the year, excluding realized and unrealized capital gains on investments, the Fund is not subject to tax under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021 provisioning against Sindh Workers' Welfare Fund by NBP Islamic Mahana Amdani Fund amounting to Rs. 69.05 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Mahana Amdani Fund by 0.5% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Auditors

The present auditors, Messrs A.F. Ferguson & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment for the year ending June 30, 2022.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.

2. Proper books of account of the Fund have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Fund's ability to continue as a going concern.

7. There has been no material departure from the best practices of Corporate Governance.

8. A performance table/ key financial data is given in this annual report.

9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.

10. The Board of Directors of the Management Company held five meetings during the year. The attendance of all directors is disclosed in the note 28 to these financial statements.

11. The detailed pattern of unit holding is disclosed in the note 25 to these financial statements.

12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 19 to these financial statements.

13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2021, the Board included:

Category	Names
Independent Directors	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Syed Hasan Irtiza Kazmi 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

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: **September 16, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز NBP اسلامک ماہانہ آمدنی فنڈ (NIMAF) کی تیسری سالانہ رپورٹ برائے مختتمہ سال 30 جون 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

سی پی آئی (CPI) کی پیمائش کردہ افراطِ زر بنیادی طور پر خوراک کی قیمتوں میں اضافہ کی وجہ سے مالی سال 21 میں 8.9 فیصد تک بلند رہا۔ مالی سال 21 کے دوران اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مانیٹری پالیسی کمیٹی (ایم پی سی) کے پانچ اجلاس منعقد کیے اور بینچ مارک پالیسی کی شرح کو 7 فیصد پر برقرار رکھا۔ افراطِ زر میں اضافے کے باوجود، اسٹیٹ بینک نے معیشت میں نمایاں سست روی اور معاشی بحالی کو ملک میں بڑھتے ہوئے کورونا وائرس کیسز سے پیدا ہونے والے خطرات کے حوالہ سے مانیٹری پالیسی کے مؤثر موقف کو جاری رکھا۔

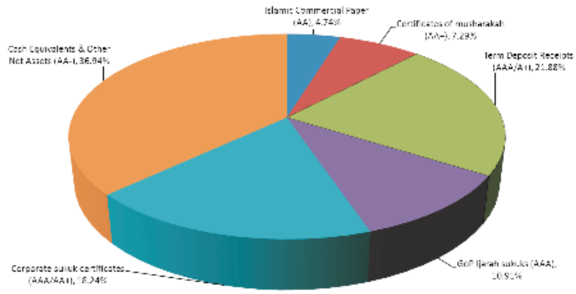
NIMAF شریعت کے مطابق انکم فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شریعی مطابقت پذیر منی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کرکے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی A-، جبکہ فنڈ اسلامی بینکوں، اسلامی شاخوں / روایتی بینکوں کی ونڈو آسان فراہمی کرنے کے ساتھ سرمایہ کاری کرنے کی اجازت دی جاتی ہے۔ فنڈ شریعت کے مطابق Money Market Instruments اور Debt Securities میں سرمایہ کاری کرنے کی اجازت دیتا ہے جو A- یا اس سے بہتر ہو۔ فنڈ ایکیوٹیز میں سرمایہ کاری کرنے کا اختیار نہیں رکھتا۔ فنڈ کی اوسط میچورٹی گورنمنٹ سکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

کارپوریٹ سکوک میں تجارتی سرگرمی مالی سال 2020 میں 27 بلین روپے کے مقابلے میں مجموعی تجارتی قیمت مزید کم ہوگئی جو کہ 16 بلین روپے رہی۔ تاہم، شریعہ کمپلینٹ کمرشل پیپرز کے نئے اجراء نے طویل مدتی شریعہ کمپلینٹ ڈیبٹ آلات کے زیرِ اثر مارکیٹ کی کسی حد تک مدد کی۔

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 20,313 ملین روپے سے کم ہو کر 15,085 ملین روپے ہوگیا ہے یعنی 26% کی کمی ہوئی۔ زیرِ جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.4359 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 10.0493 روپے ہوگئی، لہٰذا اس مدت کے دوران فنڈ نے اپنے بینچ مارک 3.6% کے مقابلے میں 6.5% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 1,412.029 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 243.138 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,168.891 ملین روپے ہے۔

30 جون 2021 کو این بی پی اسلامک ماہانہ آمدنی فنڈ کی ایسٹ ایلوکیشن حسبِ ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے دوران اوپننگ ex-NAV کا 6.41% (بنیادی قدر کا 6.43%) عبوری نقد ڈیویڈنڈ منظور کیا ہے۔

ٹیکسیشن

چونکہ مذکورہ بالا نقد منافع مقسمہ سال کے دوران حاصل ہونے والی آمدنی میں سے سرمایہ کاری پر حاصل ہونے والے محصول شدہ اور غیر محصول شدہ کیپٹل گین منہا کرنے کے بعد 90 فیصد سے زائد ہے، اس لئے فنڈ پر انکم ٹیکس آرڈیننس 2001 کے دوسرے شیڈول کے حصہ اول کی شق 99 کے تحت ٹیکس لاگو نہیں ہوتا ہے۔

سندھ ورکرز ویلفیئر فنڈ (SWWF)

مورخہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوچل فنڈز ایسوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے NBP اسلامک ماہانہ آمدنی فنڈ میں ریکارڈ کی گئی 69.05 ملین روپے ورکرز ویلفیئر فنڈ کی پروویژننگ کو 13 اگست 2021 ریورس کر دیا گیا۔ پروویژن کی اس ریورسل کے باعث NBP اسلامک ماہانہ آمدنی فنڈ کی NAV میں 0.50% کا غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو 30 جون 2022 کو ختم ہونے والے سال میں دوبارہ تقرر کے لئے پیش کیا ہے۔

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

1. مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک وشبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
8. پرفارمنس ٹیبل/اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔
11. یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 25 میں ظاہر کیا گیا ہے۔
12. ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
13. کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2021 کو بورڈ آف ڈائریکٹرز درجہ ذیل ارکان پر مشتمل ہیں

کیٹگری	نام
غیر جانبدار ڈائریکٹرز	1. جناب خالد منصور 2. جناب سعد امان اللہ خان 3. جناب ہمایوں بشیر
ایگزیکٹو ڈائریکٹر	ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)
نان ایگزیکٹو ڈائریکٹرز	1. شیخ محمد عبدالواحد سیٹھی (چیئرمین) 2. سید حسن ارتضیٰ کاظمی 3. محترمہ مہناز سالار 4. جناب علی سیگل 5. جناب عمران ظفر

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 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: 16 ستمبر 2021ء
مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Mahana Amdani Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2021

FUND MANAGER REPORT

NBP Islamic Mahana Amdani Fund

NBP Islamic Mahana Amdani Fund (NIMAF) is an Open-End Shariah Compliant Income Fund.

Investment Objective of the Fund

To provide monthly income to investors by investing in Shariah Compliant money market and debt avenues.

Benchmark

6-month average deposit rates of three A rated Islamic Banks / Islamic windows of conventional banks as selected by MUFAP.

Fund Performance Review

This is the Third Annual report since the launch of the Fund on October 06, 2018. The Fund size decreased by 26% during the year and stands at Rs. 15,085 million as of June 30, 2021. Since its inception, the Fund has earned an annualized return of 9.2% versus the benchmark return of 4.7%, thus registering an outperformance of 4.5% p.a. This outperformance is net of management fee and other expenses.

NIMAF aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches/windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A- or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

Trading activity in corporate sukuks further reduced as cumulative traded value stood at Rs. 16 billion compared to Rs. 27 billion in FY2020. However, the fresh issuance of shariah compliant commercial papers helped the undersupplied market for long-term shariah-compliant debt instruments to some extent.

Inflation as measured by the CPI remained elevated at 8.9% in FY21 mainly due to surge in food prices. During FY21, the State Bank of Pakistan (SBP) held five Monetary Policy Committee (MPC) meetings and maintained the benchmark Policy Rate at 7%. Despite high inflation reading, the SBP continued with the accommodative monetary policy stance, citing significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country.

Asset Allocation of Fund (% of NAV)

Particulars	30-Jun-21	30-Jun-20
Islamic Commercial Papers	4.74%	9.38%
Corporate Sukuk certificates	18.24%	9.72%
GOP Ijarah Sukuks	10.91%	10.34%
Term Deposit Receipts	21.88%	21.91%
Bai Maujjal Receivable	-	4.92%
Certificate of Musharika	7.29%	5.08%
Cash Equivalents & Other Assets	36.94%	38.65%
Total	**100%**	**100%**

Distribution for the Financial Year 2021

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June - 21	6.431%	10.6834	10.0403

Unit Holding Pattern of NBP Islamic Mahana Amdani Fund as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
0-0.99	614
1-1000	3,595
1001-5000	1,536
5001-10000	968
10001-50000	3,164
50001-100000	1,605
100001-500000	2,199
500001-1000000	282
1000001-5000000	142
5000001-10000000	12
10000001-100000000	7
100000001-1000000000	1
Total	**14,125**

During the period under question

There has been no significant change in the state of affairs of the Fund, other than stated in the report. NBP Islamic Mahana Amdani Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 66.853 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 0.0445 / 0.47%. For details, investors are advised to read note 12.1 of the Financial Statement of the Scheme for the year ended June 30, 2021.

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NBP Islamic Mahana Amdani Fund amounting to Rs. 69.05 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Mahana Amdani Fund by 0.5% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NBP Islamic Mahana Amdani Fund (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2021. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund..

For and behalf of the board

Date: **September 16, 2021**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

REPORT OF THE SHARI'AH SUPERVISORY BOARD

September 13, 2021/Safar 05, 1443

Alhamdulillah, the period from July 1, 2020 to June 30, 2021 was the Third year of the operations of NBP Islamic Mahana Amdani Fund (NIMAF). This report is being issued in accordance with clause 3.7of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

In the capacity of Shari'ah Supervisory Board, we have prescribed criteria and procedure to be followed in ensuring Shari'ah Compliance in every investment.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance with the Shari'ah policies & guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries of the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

In light of the above, we hereby certify that:

i. We have reviewed and approved the modes of investments of NIMAF in light of Shari'ah guidelines.

ii. All the provisions of the scheme and investments made on account of NIMAF by NBP Funds are Shari'ah Compliant and are in accordance with the criteria established.

iii. On the basis of information provided by the management, nothing has come to our attention that causes us to believe that all the operations of NIMAF for the year ended June 30, 2021 are not in compliance with Shari'ah principles.

May Allah bless us with best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and On Behalf of Meezan Bank Limited
Shari'ah Technical Services and Support Provider

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waquar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of NBP Islamic Mahana Amdani Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Islamic Mahana Amdani Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value** (Refer notes 4 and 5 to the annexed financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2021 amounted to Rs. 7,268.163 million and Rs. 9,512.849 million respectively. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures included the following: • tested the design and operating effectiveness of the key controls for valuation of investments; • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies;

S. No.	Key Audit Matter	How the matter was addressed in our audit
		• obtained approval of the Board of Directors of the Management Company in relation to opening and closing of bank accounts; and • obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2021

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		------------Rupees in '000-------------	
Assets			
Bank balances	4	**7,268,163**	8,080,669
Investments	5	**9,512,849**	12,462,361
Profit receivable	6	**127,154**	157,230
Deposits, prepayments and other receivables	7	**2,994**	2,979
Receivable against transfer of units		**105,380**	47,125
Preliminary expenses and floatation costs	8	**455**	656
Total assets		**17,016,995**	20,751,020
Liabilities			
Payable to NBP Fund Management Limited - the Management Company	9	**44,678**	60,796
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	**1,188**	1,568
Payable to the Securities and Exchange Commission of Pakistan	11	**3,714**	3,788
Payable against redemption of units		**22,890**	121,571
Payable against purchase of investments		**1,660,562**	-
Accrued expenses and other liabilities	12	**199,157**	250,023
Total liabilities		**1,932,189**	437,746
NET ASSETS		**15,084,806**	20,313,274
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**15,084,806**	20,313,274
CONTINGENCIES AND COMMITMENTS	13		
		-----------Number of units--------------	
NUMBER OF UNITS IN ISSUE	14	**1,501,086,720**	2,023,181,378
		------------------Rupees------------------	
NET ASSET VALUE PER UNIT		**10.0493**	10.0403

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		------------ Rupees in '000 ------------	
Income			
Profit on bank balances		**478,989**	1,701,765
Income on term deposit receipts		**287,620**	245,340
Income on corporate sukuk certificates		**388,758**	64,207
Income on Islamic commercial papers		**129,430**	223,947
Income on bai muajjal receivable		**34,638**	4,518
Income on certificates of musharakah		**76,130**	48,184
Gain / (loss) on sale of investments - net		**4,178**	(58,444)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.7	**12,286**	(36,515)
Total income		**1,412,029**	2,193,002
Expenses			
Remuneration of NBP Fund Management Limited - the Management Company	9.1	**37,841**	40,012
Sindh sales tax on remuneration of the Management Company	9.2	**4,919**	5,202
Allocated expenses	9.3	**21,535**	18,940
Selling and marketing expenses	9.4	**129,981**	130,703
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1	**13,926**	14,205
Sindh sales tax on remuneration of the Trustee	10.2	**1,810**	1,847
Annual fees to the Securities and Exchange Commission of Pakistan	11.1	**3,714**	3,788
Amortisation of preliminary expenses and floatation costs	8	**201**	201
Settlement and bank charges		**1,771**	1,794
Auditors' remuneration	15	**574**	517
Annual rating fee		**193**	169
Shariah advisory fee		**2,349**	2,776
Listing fee		**28**	28
Printing charges		**183**	101
Legal and professional charges		**258**	40
Total operating expenses		**219,283**	220,323
Net income from operating activities		**1,192,746**	1,972,679
Provision against Sindh Workers' Welfare Fund	12.1	**(23,855)**	(39,454)
Net profit for the year before taxation		**1,168,891**	1,933,225
Taxation	17	**-**	-
Net profit for the year after taxation		**1,168,891**	1,933,225
Earnings per unit	18		
Allocation of net income for the year			
Net income for the year after taxation		**1,168,891**	1,933,225
Income already paid on units redeemed		**(597,621)**	(1,023,678)
		571,270	909,547
Accounting income available for distribution			
- Relating to capital gains		**9,075**	-
- Excluding capital gains		**562,195**	909,547
		571,270	909,547

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	------------ Rupees in '000 -------------	
Net profit for the year after taxation	**1,168,891**	1,933,225
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**1,168,891**	1,933,225

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Undistributed profit	Total	Capital value	Undistributed profit	Total
	----------------- (Rupees in '000) -----------------			----------------- (Rupees in '000) -----------------		
Net assets at the beginning of the year	**20,258,361**	**54,913**	**20,313,274**	8,538,068	17,704	8,555,772
Issuance of 2,941,967,724 units (2020: 6,213,551,382 units)						
- Capital value (at ex-net asset value per unit)	**29,538,239**	**-**	**29,538,239**	62,272,833	-	62,272,833
- Element of income	**790,022**	**-**	**790,022**	3,188,935	-	3,188,935
Total proceeds on issuance of units	**30,328,261**	**-**	**30,328,261**	65,461,768	-	65,461,768
Redemption of 3,464,062,382 units (2020: 5,044,013,048 units)						
- Capital value (at ex-net asset value per unit)	**(34,780,226)**	**-**	**(34,780,226)**	(50,551,603)	-	(50,551,603)
- Element of loss	**(418,267)**	**(597,621)**	**(1,015,888)**	(2,151,798)	(1,023,678)	(3,175,476)
Total payments on redemption of units	**(35,198,493)**	**(597,621)**	**(35,796,114)**	(52,703,401)	(1,023,678)	(53,727,079)
Total comprehensive income for the year	**-**	**1,168,891**	**1,168,891**	-	1,933,225	1,933,225
Distribution for the year ended June 30, 2021 @ Re 0.6431 per unit declared on June 25, 2021	**(371,560)**	**(557,946)**	**(929,506)**	-	-	-
Distributions for the year ended June 30, 2020						
@ Re 0.0968 per unit declared on July 30, 2019	**-**	**-**	**-**	(13,911)	(58,470)	(72,381)
@ Rs 1.0139 per unit declared on June 26, 2020	**-**	**-**	**-**	(1,024,163)	(813,349)	(1,837,512)
Cash distribution for the period from October 07, 2018 to June 30, 2019 @ Re 0.0006 per unit declared on July 19, 2019	**-**	**-**	**-**	-	(519)	(519)
	(371,560)	**(557,946)**	**(929,506)**	(1,038,074)	(872,338)	(1,910,412)
Net assets at the end of the year	**15,016,569**	**68,237**	**15,084,806**	20,258,361	54,913	20,313,274
Undistributed income brought forward						
- Realised income		**91,428**			17,704	
- Unrealised loss		**(36,515)**			-	
		54,913			17,704	
Accounting income available for distribution:						
- Relating to capital gains		**9,075**			-	
- Excluding capital gains		**562,195**			909,547	
		571,270			909,547	
Total distributions during the year		**(557,946)**			(872,338)	
Undistributed income carried forward		**68,237**			54,913	
Undistributed income carried forward						
- Realised income		**55,951**			91,428	
- Unrealised income / (loss)		**12,286**			(36,515)	
		68,237			54,913	
			(Rupees)			**(Rupees)**
Net assets value per unit at the beginning of the year			**10.0403**			10.0227
Net assets value per unit at the end of the year			**10.0493**			10.0403

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		----------- (Rupees in '000) -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**1,168,891**	1,933,225
Adjustments for:			
Profit on bank balances		**(478,989)**	(1,701,765)
Income on term deposit receipts		**(287,620)**	(245,340)
Income on corporate sukuk certificates		**(388,758)**	(64,207)
Income on Islamic commercial papers		**(129,430)**	(223,947)
Income on bai muajjal receivable		**(34,638)**	(4,518)
Income on certificates of musharakah		**(76,130)**	(48,184)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'		**(12,286)**	36,515
Provision against Sindh Workers' Welfare Fund		**23,855**	39,454
Amortisation of preliminary expenses and floatation costs	8	**201**	201
		(1,383,795)	(2,211,791)
Decrease / (increase) in assets			
Investments		**2,440,587**	(6,395,776)
Deposits, prepayments and other receivables		**(15)**	(143)
		2,440,572	(6,395,919)
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		**(16,118)**	41,796
Payable to Central Depository Company of Pakistan Limited - the Trustee		**(380)**	960
Payable to the Securities and Exchange Commission of Pakistan		**(74)**	2,529
Accrued expenses and other liabilities		**(74,721)**	198,367
		(91,293)	243,652
Profit received on bank balances, sukuk certificates, term deposit receipts, bai muajjal receivable and certificates of musharakah		**1,425,641**	2,192,758
Net cash generated from / (used in) operating activities		**3,560,016**	(4,238,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of element		**29,898,446**	64,376,569
Net payments against redemption of units		**(35,894,795)**	(53,607,064)
Distribution paid		**(557,946)**	(872,338)
Net cash (used in) / generated from financing activities		**(6,554,295)**	9,897,167
Net (decrease) / increase in cash and cash equivalents		**(2,994,279)**	5,659,092
Cash and cash equivalents at the beginning of the year		**13,562,442**	7,903,350
Cash and cash equivalents at the end of the year	20	**10,568,163**	13,562,442

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited
(Management Company)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 NBP Islamic Mahana Amdani Fund (the Fund) is an open end mutual fund constituted under a trust deed entered into on October 09, 2018 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (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 Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as an open ended 'Shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs.10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from October 07, 2018 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant money market and debt securities.

1.5 The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 (2020: AM1 on June 24, 2020) on June 23, 2021. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to A(f) (2020: A(f) on April 17, 2020) on April 16, 2021.

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

1.7 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" (the Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced as part of the Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Trust Act for registration.

2 BASIS OF PREPARATION

2.1 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 Standards) 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 from the IFRS Standards, 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.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations, and therefore have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the published accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.3 and 5), provision for Sindh Workers' Welfare Fund (note 12.1) and provision for taxation (notes 3.13 and 17).

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except investments that have been carried at fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.3.2 Classification and subsequent measurement

3.3.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;

- the time value of money; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and is based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed by the SECP, the Management Company may make provision against debt securities one and above the minimum provision requirement prescribed by the SECP in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been replaced on the Management Company's website as required by the SECP's Circular.

3.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company/ distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date on which the transaction takes place.

- "Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the year in which these arise."

- Profit on bank balances is recognised on an accrual basis.

- Income from investments in sukuk certificates, Islamic commercial papers, term deposit receipts, certificates of musharakah and bai muajjal receivable is recognised on an accrual basis using effective interest rate method.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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.

3.14 Earnings / (loss) per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earnings per unit is not practicable as disclosed in note 18.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.16 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

4 BANK BALANCES	**Note**	**2021**	**2020**
		----------- (Rupees in '000) -----------	
Balances with banks in:			
Savings accounts	4.1	**7,217,975**	8,030,575
Current accounts		**50,188**	50,094
		7,268,163	8,080,669

4.1 These include a balance of Rs 26.867 million (2020: Rs 7.567 million) maintained with BankIslami Pakistan Limited (a related party) and balances of Rs 3.236 million (2020: Rs 7.722 million) with National Bank of Pakistan Limited (a related party) that carry profit at the rate of 6.8% (2020: 7.25%) per annum and 4.5% (2020: 4.50%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 4.5% to 7.4% per annum (2020: 4.50% to 8.75%) per annum.

5 INVESTMENTS	**Note**	**2021**	**2020**
		----------- (Rupees in '000) -----------	
At fair value through profit or loss			
GoP Ijarah sukuks	5.1	**1,645,614**	2,099,535
Corporate sukuk certificates	5.2	**2,751,498**	1,975,000
Bai muajjal receivable	5.3	**-**	1,000,344
Islamic commercial papers	5.4	**715,535**	1,905,709
Term deposit receipts	5.5	**3,300,000**	4,450,000
Certificates of musharakah	5.6	**1,100,202**	1,031,773
		9,512,849	12,462,361

5.1 GoP Ijarah sukuks

Name of security	Profit payments / principal redemp-tions	Maturity date	Profit rate	As at July 1, 2020	Purchased during the year	Sold / redeemed during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised apprecia-tion / (diminution)	Percentage in relation to net assets of the Fund	Percentage in relation to total market value of investments
				Number of certificates				(Rupees in '000)			-------- % --------	
GoP Ijarah Sukuks - XX	Semi-annually	April 30, 2025	Weighted average 6 months T-Bills	13,375	153,650	158,370	8,655	840,401	840,574	173	5.57%	8.84%
GoP Ijarah Sukuks - XXI	Semi-annually	May 29, 2025	Weighted average 6 months T-Bills	8,000	8,000	8,000	8,000	805,040	805,040	-	5.34%	8.46%
Total as at June 30, 2021								**1,645,441**	**1,645,614**	**173**	**10.91%**	**17.30%**
Total as at June 30, 2020								**2,136,050**	**2,099,535**	**(36,515)**	**10.34%**	**16.85%**

5.1.1 The nominal value of these sukuk certificates is Rs 100,000 each.

5.2 Corporate sukuk certificates

Name of security	Rating	Profit payments/ principal redemp-tions	Maturity date	Profit rate	As at July 1, 2020	Purchased during the year	Sold / redeemed during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised apprecia-tion / (diminution)	Percentage in relation to net assets of the Fund	Percentage in relation to total market value of investments
					Number of certificates				(Rupees in '000)			------- % -------	
POWER GENERATION AND DISTRIBUTION													
Hub Power Holdings Limited Sukuk (non-traded) - (related party) (Face value of Rs 100,000 per certificate) [note 5.2.1]	AA+, PACRA	Semi-annually	November 12, 2025	6 months KIBOR plus base rate of 2.50%	-	5,700	-	5,700	503,742	503,742	-	3.34%	5.30%
The Hub Power Company Limited Sukuk -(traded) (related party) (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	November 19, 2020	6 months KIBOR plus base rate of 1.50%	6,750	-	6,750	-	-	-	-	-	-
The Hub Power Company Limited Sukuk -(traded) (related party) (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	May 17, 2021	8.65%	-	5,000	5,000	-	-	-	-	-	-
The Hub Power Company Limited Sukuk - (non-traded) (related party) (Face value of Rs 100,000 per certificate)	AA+, PACRA	Semi-annually	March 19, 2024	1 year KIBOR plus base rate of 1.90%	-	6,500	-	6,500	669,143	665,600	(3,543)	4.41%	7.00%
Pakistan Energy Sukuk-II (Face value of Rs 5,000 per certificate)	Unrated	Semi-annually / At maturity	May 21, 2030	6 months KIBOR plus base rate of 0.10%	260,000	-	30,000	230,000	1,150,000	1,159,200	9,200	7.68%	12.19%
K-Electric Limited - Sukuk - (traded) (Face value of Rs 5,000 per certificate)	AA+, VIS	Quarterly	August 03, 2027	3 months KIBOR plus base rate of 1.7%	-	83,300	-	83,300	416,500	422,956	6,456	2.80%	4.45%
Total as at June 30, 2021									2,739,385	2,751,498	12,113	18.23%	28.94%
Total as at June 30, 2020									1,975,000	1,975,000	-	9.72%	15.85%

5.2.1 Sukuk certificates of Hub Power Holdings Limited are carried at their carrying amount as they are not valued by MUFAP / at PKISRV.

5.3 Bai muajjal receivable

Name of counterparty	Rating	Maturity date	Profit rate	Total transaction price	Deferred income	Accrued profit	Carrying value
				------------ (Rupees in '000) ------------			
DEVELOPMENT FINANCE INSTITUTION							
Pak Brunei Investment Company Limited	AA+, VIS	December 09, 2020	7.85%	-	-	-	-
Total as at June 30, 2021				-	-	-	-
Total as at June 30, 2020							1,000,344

5.4 Islamic commercial papers

Name of investee company	Rating	As at July 1, 2020	Purchased during the year	Matured during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
		------------ (Rupees in '000) ------------							------ % ------	
POWER GENERATION AND DISTRIBUTION										
K-Electric Limited ICP-5	A-1+, VIS	432,000	-	432,000	-	-	-	-	-	-
K-Electric Limited ICP-6	A-1+, VIS	644,000	-	644,000	-	-	-	-	-	-
K-Electric Limited ICP-7	A-1+, VIS	350,000	-	350,000	-	-	-	-	-	-
K-Electric Limited ICP-8	A-1+, VIS	525,000	-	525,000	-	-	-	-	-	-
K-Electric Limited ICP-9	A-1+, VIS	-	607,000	607,000	-	-	-	-	-	-
K-Electric Limited ICP-10	A-1+, VIS	-	450,000	450,000	-	-	-	-	-	-
K-Electric Limited ICP-11	A-1+, PACRA	-	480,000	480,000	-	-	-	-	-	-
K-Electric Limited ICP-12	A-1+, PACRA	-	235,000	235,000	-	-	-	-	-	-
K-Electric Limited ICP-13	A-1+, VIS	-	641,000	641,000	-	-	-	-	-	-
K-Electric Limited ICP-16	A-1+, PACRA	-	280,000	-	280,000	275,196	275,196	-	2.89%	1.82%
K-Electric Limited ICP-17	A-1+, VIS	-	450,000	-	450,000	440,339	440,339	-	4.63%	2.92%
Total as at June 30, 2021						715,535	715,535	-	7.52%	4.74%
Total as at June 30, 2020						1,905,709	1,905,709	-	15.29%	9.38%

5.4.1 These carry yield ranging from 8.42% to 8.48% per annum and are due to mature latest by October 6, 2021.

5.5 Term deposit receipts

Name of investee company	Maturity date	Profit rate	As at July 1, 2020	Purchased during the year	Matured during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
			------------ (Rupees in '000) ------------						------ % ------	
COMMERCIAL BANKS										
Bank Islami Pakistan Limited - a related party	July 30, 2020	7.00%	1,000,000	-	1,000,000	-	-	-	-	-
United Bank Limited - Islamic Banking	July 5, 2020	7.50%	2,500,000	-	2,500,000	-	-	-	-	-
United Bank Limited - Islamic Banking	July 15, 2020	7.50%	950,000	-	950,000	-	-	-	-	-
United Bank Limited - Islamic Banking	August 6, 2020	6.65%	-	2,078,000	2,078,000	-	-	-	-	-
United Bank Limited - Islamic Banking	August 13, 2020	6.65%	-	255,000	255,000	-	-	-	-	-

Name of investee company	Maturity date	Profit rate	As at July 1, 2020	Purchased during the year	Matured during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
			---------------------------------- (Rupees in '000) ----------------------------------						-------------- % --------------	
COMMERCIAL BANKS										
United Bank Limited - Islamic Banking	August 15, 2020	6.65%	-	943,000	943,000	-	-	-	-	-
United Bank Limited - Islamic Banking	August 22, 2020	6.65%	-	95,000	95,000	-	-	-	-	-
United Bank Limited - Islamic Banking	November 6, 2020	6.65%	-	1,787,000	1,787,000	-	-	-	-	-
United Bank Limited - Islamic Banking	September 14, 2020	6.65%	-	237,000	237,000	-	-	-	-	-
United Bank Limited - Islamic Banking	November 17, 2020	6.65%	-	945,000	945,000	-	-	-	-	-
United Bank Limited - Islamic Banking	November 24, 2020	6.65%	-	34,500	34,500	-	-	-	-	-
United Bank Limited - Islamic Banking	December 9, 2020	6.65%	-	167,500	167,500	-	-	-	-	-
United Bank Limited - Islamic Banking	December 14, 2020	6.65%	-	180,000	180,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	October 27, 2020	6.75%	-	1,350,000	1,350,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	November 27, 2020	6.75%	-	2,700,000	2,700,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	December 7, 2020	6.75%	-	360,000	360,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	December 28, 2020	7.00%	-	1,877,000	1,877,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	December 10, 2020	6.75%	-	106,000	106,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	February 8, 2021	7.00%	-	249,000	249,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	January 21, 2021	7.00%	-	450,000	450,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	January 30, 2021	7.10%	-	1,919,000	1,919,000	-	-	-	-	-
United Bank Limited - Islamic Banking	February 6, 2021	6.65%	-	1,550,000	1,550,000	-	-	-	-	-
United Bank Limited - Islamic Banking	February 9, 2021	6.65%	-	280,000	280,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	February 8, 2021	7.10%	-	249,000	249,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	February 22, 2021	7.10%	-	332,000	332,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	March 2, 2021	7.10%	-	1,873,500	1,873,500	-	-	-	-	-
United Bank Limited - Islamic Banking	March 8, 2021	6.85%	-	1,733,000	1,733,000	-	-	-	-	-
United Bank Limited - Islamic Banking	March 9, 2021	6.85%	-	268,000	268,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	March 15, 2021	6.85%	-	88,000	88,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	March 22, 2021	6.85%	-	289,000	289,000	-	-	-	-	-
United Bank Limited - Islamic Banking	March 25, 2021	6.85%	-	536,000	536,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	March 25, 2021	6.85%	-	286,000	286,000					
Bank Islami Pakistan Limited - a related party	April 5, 2021	6.90%	-	1,870,000	1,870,000	-	-	-	-	-
United Bank Limited - Islamic Banking	April 8, 2021	6.85%	-	1,751,000	1,751,000	-	-	-	-	-
United Bank Limited - Islamic Banking	April 9, 2021	6.85%	-	265,000	265,000	-	-	-	-	-
United Bank Limited - Islamic Banking	April 26, 2021	6.85%	-	495,000	495,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	April 29, 2021	7.15%	-	673,000	673,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	May 5, 2021	7.15%	-	1,835,000	1,835,000	-	-	-	-	-
United Bank Limited - Islamic Banking	May 8, 2021	6.85%	-	1,745,000	1,745,000	-	-	-	-	-
United Bank Limited - Islamic Banking	May 10, 2021	6.85%	-	265,000	265,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	May 17, 2021	7.15%	-	31,000	31,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	May 31, 2021	7.15%	-	653,000	653,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	June 7, 2021	7.15%	-	1,857,000	1,857,000	-	-	-	-	-
United Bank Limited - Islamic Banking	June 17, 2021	6.85%	-	2,020,000	2,020,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	June 17, 2021	7.15%	-	116,000	116,000	-	-	-	-	-
Bank Islami Pakistan Limited - a related party	June 29, 2021	7.00%	-	660,000	660,000	-	-	-	-	-
United Bank Limited - Islamic Banking	July 17, 2021	6.90%	-	2,600,000	-	2,600,000	2,600,000	2,600,000	27.33%	17.24%
Bank Islami Pakistan Limited - a related party	July 29, 2021	7.30%	-	700,000	-	700,000	700,000	700,000	4.64%	4.64%
Total as at June 30, 2021							3,300,000	3,300,000	31.97%	21.88%
Total as at June 30, 2020							4,450,000	4,450,000	35.70%	21.91%

5.6 **Certificates of musharakah**

Name of investee company	Maturity date	Profit rate	As at July 1, 2020	Placed during the year	Matured during the year	Market value as at June 30, 2021	Percentage in relation to total market value of investments	Percentage in relation to net assets of the Fund
		%	---------------- (Rupees in '000)			----------------	---------------- %	--------------
MODARABA								
First Habib Modaraba	July 23, 2020	8%-11.10%	515,781	-	515,781	-	-	-
First Habib Modaraba	July 28, 2020	8%-11.10%	515,992	-	515,992	-	-	-
First Habib Modaraba	October 23, 2020	7.00%	-	526,553	526,553	-	-	-
First Habib Modaraba	October 28, 2020	7.00%	-	526,479	526,479	-	-	-
First Habib Modaraba	January 25, 2021	7.00%	-	535,843	535,843	-	-	-
First Habib Modaraba	January 28, 2021	7.00%	-	535,768	535,768	-	-	-
First Habib Modaraba	April 28, 2021	7.05%	-	545,221	545,221	-	-	-
First Habib Modaraba	October 28, 2021	7.30%	-	554,699	-	554,699	5.83%	3.68%
First Habib Modaraba	July 26, 2021	7.25%	-	545,503	-	545,503	5.73%	3.62%
Total as at June 30, 2021			1,031,773	3,770,066	3,701,637	1,100,202	11.56%	7.30%
Total as at June 30, 2020						1,031,773	5.08%	8.28%

5.7 **Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**

	Note	2021	2020
		----------- (Rupees in '000)	-----------
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	**9,512,849**	12,462,361
Carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5 & 5.6	**(9,500,563)**	(12,498,876)
		12,286	(36,515)

6 PROFIT RECEIVABLE

	2021	2020
Profit receivable on:		
Bank balances	**45,880**	80,022
Corporate sukuk certificates	**34,880**	11,711
GoP Ijarah sukuks	**15,121**	28,226
Bai muajjal receivable	**-**	4,518
Certificates of musharakah	**24,112**	16,411
Term deposit receipts	**7,161**	16,342
	127,154	157,230

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021	2020
Advance tax	7.1	**2,787**	2,787
Prepaid mutual fund rating fee		**104**	89
Security deposit with Central Depository Company of Pakistan Limited *		**103**	103
		2,994	2,979

*related party balance

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding taxes on profit on bank balances and debt securities paid to the Fund have been deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-

R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The taxes withheld on profit on bank balances and debt securities as at June 30, 2021 amount to Rs 2.787 million (2020: 2.787 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit on bank balances and debt securities have been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

8 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2021	2020
		---------(Rupees in '000)---------	
At the beginning of the year		**656**	857
Less: amortisation during the year	8.1	**(201)**	(201)
At the end of the year		**455**	656

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY	Note	2021	2020
		---------(Rupees in '000)---------	
Payable against formation cost		**-**	1,004
Remuneration payable to the Management Company	9.1	**2,803**	3,829
Sindh sales tax payable on remuneration of the Management Company	9.2	**364**	498
Allocated expenses payable	9.3	**5,321**	6,485
Selling and marketing expenses payable	9.4	**29,795**	45,392
Sales load payable to management company		**4,861**	2,322
Sindh sales tax payable on sales load		**644**	410
Transfer load payable		**33**	776
ADC charges payable including Sindh sales tax		**777**	-
Other payable to the Management Company		**80**	80
		44,678	60,796

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

Rate applicable from July 1, 2020 to June 30, 2021	Rate applicable from July 1, 2019 to July 11, 2019	Rate applicable from July 12, 2019 to June 30, 2020
1.5% of net income of the Fund subject to floor and capping of 0.2% and 1.5% per annum of average annual net assets	7% of net income of the Fund subject to floor and capping of 0.5% and 1.5% per annum of average annual net assets	1.5% of net income of the Fund subject to floor and capping of 0.2% and 1.5% per annum of average annual net assets

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

9.2 During the year, an amount of Rs 4.919 million (2020: Rs 5.202 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%).

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged accounting and operational charges under the following rates:

Rate applicable from July 1, 2020 to October 26, 2020	Rate applicable from October 27, 2020 to June 30, 2021	Rate applicable from July 1, 2019 to June 30, 2020
0.1% of average annual net assets	0.125% of average annual net assets	0.1% of average annual net assets

9.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

The SECP through its circular 11 dated July 5, 2019 had revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum had been lifted and the asset management company was required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years had also been removed in the revised conditions.

Accordingly, the Management Company has charged such expenses at the rate of 0.70% (2020: 0.70%) of the average annual net assets of the Fund during the year. This has also been approved by the Board of Directors of the Management Company.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2021	2020
		------------(Rupees in '000)------------	
Trustee fee payable	10.1	**1,051**	1,388
Sindh sales tax payable on trustee fee	10.2	**137**	180
		1,188	1,568

10.1 The Trustee is entitled to monthly remuneration of 0.075% (2020: 0.075%) per annum of net assets for services rendered to the Fund under the provisions of the Trust Deed.

10.2 During the year, an amount of Rs 1.810 million (2020: Rs 1.847 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%).

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2021	2020
		------------(Rupees in '000)------------	
Annual fee payable	11.1	**3,714**	3,788

11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the Fund.

			2021	2020
12	**ACCRUED EXPENSES AND OTHER LIABILITIES**	**Note**	**------------(Rupees in '000)**	**------------**
	Auditors' remuneration		**438**	461
	Legal fees payable		**116**	110
	Settlement and bank charges payable		**70**	196
	Brokerage payable		**5**	-
	Printing charges payable		**86**	38
	Provision for Sindh Workers' Welfare Fund	12.1	**66,854**	42,999
	Shariah advisory fee payable		**2,376**	2,795
	Withholding tax payable		**128,698**	203,424
	Other payable		**514**	-
			199,157	250,023

12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Had the provision for SWWF been reversed in the financial statements for the year ended June 30, 2021, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Re. 0.0445 per unit (2020: Re. 0.0213 per unit).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

		2021	2020
14	**NUMBER OF UNITS IN ISSUE**	**----------Number of units**	**---------**
	Total units in issue at the beginning of the year	**2,023,181,378**	853,643,044
	Units issued during the year	**2,941,967,724**	6,213,551,382
	Less: units redeemed during the year	**(3,464,062,382)**	(5,044,013,048)
	Total units in issue at the end of the year	**1,501,086,720**	2,023,181,378

15 AUDITORS' REMUNERATION

	2021	2020
	------------(Rupees in '000)------------	
Annual audit fee	**308**	290
Half yearly review	**130**	120
Other certification	**80**	75
Out of pocket expenses	**56**	32
	574	517

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.31% (2020: 1.37%) which includes 0.18% (2020: 0.27%) representing government levies on the Fund such as provision against SWWF, sales taxes, annual fee to the SECP, etc. The TER excluding government levies is 1.13% (2020: 1.10%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as Shariah compliant income scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2021 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these financial statements during the year.

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.

18 EARNINGS PER UNIT

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

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, 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.

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

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

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

19.5 Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

19.6 Details of the transactions with related parties / connected persons during the year are as follows:

	2021	2020
	------(Rupees in '000)------	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	**37,841**	40,012
Sindh sales tax on remuneration of the Management Company	**4,919**	5,202
Allocated expenses	**21,535**	18,940
Selling and marketing expenses	**129,981**	130,703
Amortisation of preliminary expenses and floatation costs	**201**	201
Sales and transfer load expenses	**37,974**	136,712
ADC charges including Sindh sales tax	**1,877**	-
Key management personnel of the Management Company		
Dividend re-investment of 115,475 units (2020: 225,825) units	**1,160**	2,264
Issuance of 33,838,567 (2020: 52,423,987) units	**347,753**	549,348
Redemption of 33,851,280 (2020: 49,553,747) units	**350,390**	526,653
Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary		
Dividend re-investment of 86 (2020: 1,181) units*	**-**	12
Issuance of 99,657 (2020: 288,529) units	**1,001**	3,051
Redemption of 70,248 (2020: 246,047) units	**720**	2,644
Imran Zaffar - Director		
Dividend re-investment of 109 (2020: 13,110) units	**1**	131
Redemption of Nil (2020: 2,078,071 units)	**-**	21,608
Fauji Fertilizer Company Limited - common directorship		
Dividend re-investment of 1 (2020: Nil) unit*	**-**	-
Units Issued / transferred in 16 (2020: 12,937,769) units*	**-**	130,000
Units redeemed / transferred out Nil (2020: 12,937,769) units	**-**	130,085
Portfolio managed by the Management Company		
Dividend re-investment of 348,693 (2020: 388,041) units	**3,502**	3,891
Units issued / transferred in 13,233,773 (2020: 67,575,699) units	**134,227**	699,011
Units redeemed / transferred out 32,204,216 (2020: 31,123,596) units	**330,763**	339,123
Dr Amjad Waheed - Chief Executive Officer		
Dividend re-investment of 20 units (2020: Nil) *	**-**	-
Units issued / transferred in 529 (2020: 1,414,249) units	**5**	14,929
Units redeemed / transferred out Nil (2020: 1,414,249 units)	**-**	14,982
Khalid Mehmood - Chief Financial Officer		
Dividend re-investment of Nil (2020: 2,354 units)	**-**	24
Units issued / transferred in 186,306 (2020: 147,735) units	**1,900**	1,513
Units redeemed / transferred out 187,633 (2020: 430,482) units	**1,952**	4,502

	2021	2020
	------(Rupees in '000)------	
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	**13,926**	14,205
Sindh sales tax on remuneration of the Trustee	**1,810**	1,847
Settlement charges	**145**	6
BankIslami Pakistan Limited - common directorship		
Profit on bank balances	**48,479**	604,570
Income from term deposit receipts	**122,138**	205,593
Placement of term deposit receipts	**20,523,500**	18,005,533
Term deposit receipts matured during the year	**20,823,500**	-
Purchase of GoP Ijarah sukuks	**1,293,776**	3,637,500
Sale of GoP Ijarah sukuks	**1,801,346**	-
National Bank of Pakistan Limited - parent company		
Profit on bank balances	**330**	419
Purchase of sukuk certificates	**1,284,542**	-
NBP Financial Sector Income Fund		
Purchase of commercial paper	**-**	96,989
NBP Riba Free Savings Fund		
Purchase of commercial paper	**204,407**	388,056
Purchase of sukuk certificates	**1,125,418**	-
NBP Islamic Daily Dividend Fund		
Purchase of commercial paper	**-**	99,147
Hub Power Holdings Limited - common directorship		
Purchase of sukuk certificates	**470,014**	-
Profit on sukuk certificates	**3,061**	-
The Hub Power Company Limited - common directorship		
Purchase of sukuk certificates	**1,227,210**	675,000
Profit on sukuk certificates	**99,332**	19,542
NBP Islamic Sarmaya Izafa Fund		
Sale of GoP Ijarah sukuks	**-**	193,476
Pakistan Stock Exchange Limited - common directorship		
Listing fee paid	**25**	25
NBP Islamic Savings Fund		
Purchase of commercial paper	**189,450**	-
NBP Active Allocation Riba Free Savings Fund		
Purchase of commercial paper	**6,936**	-
NBP Islamic Money Market Fund		
Purchase of commercial paper	**342,518**	-
Purchase of sukuk certificates	**519,788**	-

		2021	2020
19.7	**Amounts / balances outstanding as at year end:**	------(Rupees in '000)------	
	NBP Fund Management Limited - the Management Company		
	Payable against formation cost	**-**	1,004
	Remuneration payable to the Management Company	**2,803**	3,829
	Sales load payable to management company	**4,861**	2,322
	Transfer load payable	**33**	776
	ADC charges payable including Sindh sales tax	**777**	-
	Other payable to the Management Company	**80**	80
	Sindh sales tax payable on remuneration of the Management Company	**364**	498
	Sindh sales tax payable on sales load	**644**	410
	Allocated expenses payable	**5,321**	6,485
	Selling and marketing expenses payable	**29,795**	45,392
	Key management personnel of the Management Company		
	Units held 6,329,429 (2020: 7,636,562) units	**63,606**	76,673
	Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary		
	Units held 101,216 (2020: 71,721) units	**1,017**	720
	Imran Zaffar - Director		
	Units held 2,112 (2020: 2,003) units	**21**	20
	Portfolio managed by the Management Company		
	Units held 9,703,004 (2020: 36,840,143) units	**97,508**	369,885
	Dr Amjad Waheed - Chief Executive Officer		
	Units held 549 units (2020: Nil)	**6**	-
	Fauji Fertilizer Company Limited - common directorship		
	Units held 17 units (2020: Nil) *	**-**	-
	Khalid Mehmood - Chief Financial Officer		
	Units held Nil (2020: 1,327) units	**-**	13
	Central Depository Company of Pakistan Limited - the Trustee		
	Remuneration payable to the Trustee	**1,051**	1,388
	Sindh sales tax on remuneration of the Trustee	**137**	180
	Security deposit	**103**	103
	BankIslami Pakistan Limited - common directorship		
	Bank balances	**26,867**	7,567
	Investment in term deposit receipts	**700,000**	1,000,000
	Profit receivable on term deposit receipts	**280**	192
	Profit receivable on bank balances	**13,874**	711
	Hub Power Holdings Limited - common directorship		
	Sukuk certificates	**503,742**	-
	Profit receivable on sukuk certificates	**211**	-
	The Hub Power Company Limited - common directorship		
	Sukuk certificates	**665,600**	675,000
	Profit receivable on sukuk certificates	**18,761**	7,626
	National Bank of Pakistan Limited - parent company		
	Bank balances	**3,236**	7,722
	Profit receivable on bank balances	**17**	13

*Nil due to rounding off

19.8 Other balances due to / from related parties / connected persons are included in the respective notes to these financial statements.

20 CASH AND CASH EQUIVALENTS

	Note	2021	2020
		(Rupees in '000)	
Bank balances	4	**7,268,163**	8,080,669
Term deposit receipts	5.5	**3,300,000**	4,450,000
Certificates of musharakah		**-**	1,031,773
		10,568,163	13,562,442

21 FINANCIAL INSTRUMENTS BY CATEGORY

	2021		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial assets			
Bank balances	**-**	**7,268,163**	**7,268,163**
Investments	**9,512,849**	**-**	**9,512,849**
Profit receivable	**-**	**127,154**	**127,154**
Deposits	**-**	**103**	**103**
Receivable against transfer of units	**-**	**105,380**	**105,380**
	9,512,849	**7,500,800**	**17,013,649**
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	**-**	**44,678**	**44,678**
Payable to Central Depository Company of Pakistan Limited - the Trustee	**-**	**1,188**	**1,188**
Payable against redemption of units	**-**	**22,890**	**22,890**
Payable against purchase of investments	**-**	**1,660,562**	**1,660,562**
Accrued expenses and other liabilities	**-**	**3,605**	**3,605**
	-	**1,732,923**	**1,732,923**

	2020		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial assets			
Bank balances	-	8,080,669	8,080,669
Investments	12,462,361	-	12,462,361
Profit receivable	-	157,230	157,230
Deposits	-	103	103
Receivable against sale of units	-	47,125	47,125
	12,462,361	8,285,127	20,747,488
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	60,796	60,796
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	1,568	1,568
Payable against redemption of units	-	121,571	121,571
Accrued expenses and other liabilities	-	3,600	3,600
	-	187,535	187,535

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on the limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: profit rate risk, currency risk, and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the future cash flows of financial instruments will fluctuate as a result of changes in market profit rates. As of June 30, 2021, the Fund is exposed to such risk on its bank balances, investment in sukuk certificates, GoP Ijarah sukuks, bai muajjal receivable, term deposit receipts, certificates of musharakah and Islamic commercial papers. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

(a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based GoP Ijarah sukuks and corporate sukuk certificates, certificates of musharakah, term deposit receipts and bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year / period and net assets of the Fund would have been higher / lower by Rs 160.153 million (2020: Rs 175.869 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Islamic commercial papers and bai muajjal receivable which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs 7.155 million (2020: Rs 29.061 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

	2021					
	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		Rupees in '000				
Financial assets						
Bank balances	4.50%-7.4%	7,217,975	-	-	50,188	7,268,163
Investments	6.39%-10.13%	5,209,255	3,799,852	503,742	-	9,512,849
Profit receivable		-	-	-	127,154	127,154
Deposits		-	-	-	103	103
Receivable against transfer of units		-	-	-	105,380	105,380
		12,427,230	3,799,852	503,742	282,825	17,013,649
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	44,678	44,678
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	1,188	1,188
Payable against redemption of units		-	-	-	22,890	22,890
Payable against purchase of investments		-	-	-	1,660,562	1,660,562
Accrued expenses and other liabilities		-	-	-	3,605	3,605
		-	-	-	1,732,923	1,732,923
On-balance sheet gap		12,427,230	3,799,852	503,742	(1,450,098)	
Total profit rate sensitivity gap		12,427,230	3,799,852	503,742		
Cumulative profit rate sensitivity gap		12,427,230	16,227,082	16,730,824		

	2020					
	Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		Rupees in '000				
Financial assets						
Bank balances	4.50%-8.75%	8,030,575	-	-	50,094	8,080,669
Investments	6.63%-14.64%	6,878,498	3,484,328	2,099,535	-	12,462,361
Profit receivable		-	-	-	157,230	157,230
Deposits		-	-	-	103	103
Receivable against transfer of units		-	-	-	47,125	47,125
		14,909,073	3,484,328	2,099,535	254,552	20,747,488
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	60,796	60,796
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	1,568	1,568
Payable against redemption of units		-	-	-	121,571	121,571
Accrued expenses and other liabilities		-	-	-	3,600	3,600
		-	-	-	187,535	187,535
On-balance sheet gap		14,909,073	3,484,328	2,099,535	67,017	
Total profit rate sensitivity gap		14,909,073	3,484,328	2,099,535		
Cumulative profit rate sensitivity gap		14,909,073	18,393,401	20,492,936		

(ii) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) **Price risk**

Price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2021.

22.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active or over the counter market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

	2021						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to NBP Fund Management Limited the Management Company	44,678	-	-	-	-	-	44,678
Payable to Central Depository Company of Pakistan Limited - the Trustee	1,188	-	-	-	-	-	1,188
Payable against redemption of units	22,890	-	-	-	-	-	22,890
Payable against purchase of investments	-	-	-	-	-	1,660,562	1,660,562
Accrued expenses and other liabilities	3,167	438	-	-	-	-	3,605
	71,923	438	-	-	-	1,660,562	1,732,923

	2020						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to NBP Fund Management Limited the Management Company	60,796	-	-	-	-	-	60,796
Payable to Central Depository Company of Pakistan Limited - the Trustee	1,568	-	-	-	-	-	1,568
Payable against redemption of units	121,571	-	-	-	-	-	121,571
Accrued expenses and other liabilities	3,139	461	-	-	-	-	3,600
	187,074	461	-	-	-	-	187,535

22.3 Credit risk

22.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees in '000)			
Financial assets				
Bank balances	**7,268,163**	**7,268,163**	8,080,669	8,080,669
Investments	**9,512,849**	**7,867,235**	12,462,361	10,362,826
Profit receivable	**127,154**	**112,033**	157,230	129,004
Deposits	**103**	**103**	103	103
Receivable against sale of units	**105,380**	**105,380**	47,125	47,125
	17,013,649	**15,352,914**	20,747,488	18,619,727

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets. Investment in government securities and its accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, term deposit receipts, Islamic commercial papers, corporate sukuk certificates, bai muajjal receivable, certificates of musharakah and accrued profit thereon. The credit rating profile of bank balances and investments are as follows:

	% of financial assets exposed to credit risk	
	2021	**2020**
Rating		
Bank balances	**15.14%**	1.38%
AAA	**0.22%**	0.18%
AA+	**0.04%**	0.02%
AA	**13.41%**	0.04%
AA-	**0.17%**	0.04%
A+	**0.00%**	37.56%
A-	**18.27%**	0.04%
A	**0.08%**	0.07%
BBB-		
Corporate sukuk certificates	**7.09%**	3.56%
AA+		
Islamic commercial papers	**4.66%**	9.19%
A-1+		
Bai muajjal receivable	**-**	4.84%
A-1+		
Term deposit receipts	16.93%	16.71%
AAA	**4.56%**	4.82%
A+		
Certificates of musharakah	**7.17%**	5.21%
AA+	**87.75%**	83.66%

23 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2021		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
At fair value through profit or loss			
GOP Ijarah sukuks	-	1,645,614	-
Corporate sukuk certificates	-	2,751,498	-
Islamic commercial papers *	-	715,535	-
Term deposit receipts **	-	3,300,000	-
Certificates of musharakah **	-	1,100,202	-
	-	9,512,849	-

	2020		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
At fair value through profit or loss			
GoP Ijarah sukuks	-	2,099,535	-
Corporate sukuk certificates	-	1,975,000	-
Bai muajjal receivable *	-	1,000,344	-
Islamic commercial papers *	-	1,905,709	-
Term deposit receipts **	-	4,450,000	-
Certificates of musharakah **	-	1,031,773	-
	-	12,462,361	-

* The valuation of commercial papers and bai muajjal receivable has been done based on amortisation to their face values as per the guidelines given in Circular 33 of 2012 since the residual maturities of these investments are less than six months and they are placed with counterparties which have high credit rating.

** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which has high credit rating.

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

25 UNIT HOLDING PATTERN OF THE FUND

Category	2021 Number of unit holders	2021 Investment amount (Rupees in '000)	2021 Percentage of total	2020 Number of unit holders	2020 Investment amount (Rupees in '000)	2020 Percentage of total
Associated companies and directors	**2**	**27**	**0.00%**	1	20	-
Individuals	**13,983**	**11,899,533**	**78.88%**	14,342	16,076,590	79.14%
Insurance companies	**6**	**215,725**	**1.43%**	7	720,395	3.55%
Bank and DFIs	**-**	**-**	**0.00%**	1	510,616	2.51%
Public limited companies	**3**	**5,070**	**0.03%**	1	1,480	0.01%
Retirement funds	**50**	**1,036,368**	**6.87%**	44	1,043,405	5.14%
Others	**81**	**1,928,083**	**12.78%**	77	1,960,768	9.65%
	14,125	**15,084,806**	**100.00%**	14,473	20,313,274	100.00%

26 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

2021 Name of broker	Percentage of commission paid
Paramount Capital (Private) Ltd	**68.63%**
Invest One Markets Limited	**14.66%**
Next Capital Limited	**9.46%**
C & M Management Private Limited	**7.05%**
Currency Market Associates Private Ltd	**0.12%**
Bright Capital (Private) Limited	**0.08%**

2020 Name of broker	Percentage of commission paid
Paramount Capital (Pvt.) Ltd.	100.00%

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualifications	Experience in years
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	33
Sajjad Anwar	Chief Investment Officer	CFA / MBA	21
Asim Wahab Khan	Deputy Chief Investment Officer	CFA	15
Muhammad Ali Bhabha (note 27.1)	Head of Fixed Income	CFA / MBA / FRM / MS	26
Hassan Raza	Head of Research	ACCA / BSC / CFA	10

27.1 The name of the Fund Manager is Muhammad Ali Bhabha. Other funds being managed by the Fund Manager are as follows:

- NBP Active Allocation Riba Free Savings Fund
- NBP Financial Sector Income Fund
- NBP Government Securities Liquid Fund
- NBP Government Securities Savings Fund
- NBP Government Securities Plan - I
- NBP Income Opportunity Fund

- NBP Islamic Daily Dividend Fund
- NBP Islamic Money Market Fund
- NBP Islamic Savings Fund
- NBP Mahana Amdani Fund
- NBP Money Market Fund
- NBP Riba Free Savings Fund
- NBP Stock Fund
- NBP Islamic Income Fund

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 76th, 77th, 78th, 79th and 80th Board meetings were held on July 16, 2020, September 17, 2020, October 27, 2020, February 26, 2021 and April 30, 2021 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of director	Number of meetings			Meetings not attended
	Held / applicable	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
Saad ur Rahman Khan [note 28.1]	3	2	1	77th Meeting
Syed Hasan Irtiza Kazmi	5	5	-	-
Ali Saigol	5	5	-	-
Imran Zaffar	5	5	-	-
Khalid Mansoor	5	5	-	-
Humayun Bashir	5	5	-	-
Saad Amanullah Khan	5	5	-	-
Dr. Amjad Waheed	5	5	-	-
Mehnaz Salar [note 28.2]	2	2	-	-

28.1 Saad ur Rahman Khan resigned as director on December 03, 2020.

28.2 Mehnaz Salar was appointed as director on the Board with effect from February 03, 2021.

29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 16, 2021.

31 GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

For NBP Fund Management Limited
(Management Company)

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

PERFORMANCE TABLE

Particulars	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019
	(Rs. In '000')	(Rs. In '000')	(Rs. In '000')
Net assets at the year / period ended (Rs. '000')	15,084,806	20,313,274	8,555,772
Net Income at the year / period ended (Rs. '000')	1,168,891	1,933,225	173,704
Net Asset Value per unit at the year / period ended (Rs.)	10.0493	10.0403	10.0227
Offer price per unit	10.1629	10.1538	10.1359
Redemption price per unit	10.0493	10.0403	10.0227
Ex - Highest offer price per unit (Rs.)	10.1629	10.1538	10.1359
Ex - Lowest offer price per unit (Rs.)	9.5444	9.0172	9.3570
Ex - Highest redemption price per unit (Rs.)	10.0493	10.0403	10.0227
Ex - Lowest redemption price per unit (Rs.)	9.4377	9.0172	9.3570
Fiscal Year Opening Ex Nav	9.4359	9.0143	10.0000
Total return of the fund	6.50%	11.35%	7.11%
Capital growth	0.09%	0.27%	0.44%
Income distribution as a % of ex nav	6.41%	11.08%	6.67%
Income distribution as a % of par value	6.43%	11.11%	6.67%
Distribution			
Interim distribution per unit	0.6431	1.1107	0.6677
Final distribution per unit			
Distribution dates			
Interim			29-Oct-18
Interim			28-Nov-18
Interim			28-Dec-18
Interim			28-Jan-19
Interim			26-Feb-19
Interim			28-Mar-19
Interim			27-Apr-19
Interim			28-May-19
Interim		30-Jul-19	24-Jun-19
Interim	25-Jun-21	26-Jun-20	19-Jul-19
Average annual return of the fund (launch date October 06, 2018)			
(Since inception to June 30, 2021)	9.15%		
(Since inception to June 30, 2020)		10.71%	
(Since inception to June 30, 2019)			9.73%
Weighted average portfolio duration	49 Days	46 Days	3 Days

"Past performance is not necessarily indicative of future performance and that unit prices and investment return returns may go down, as well as up."

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