NBP FUNDS
Managing Your Savings

Aitemaad اعتماد

NBP RIBA FREE SAVING 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 Islamic Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bankislami Pakistan Limited
Dubai Islamic Bank 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
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
United Bank Limited

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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 Riba Free Savings Fund** (NRFSF) for the year ended June 30, 2021.

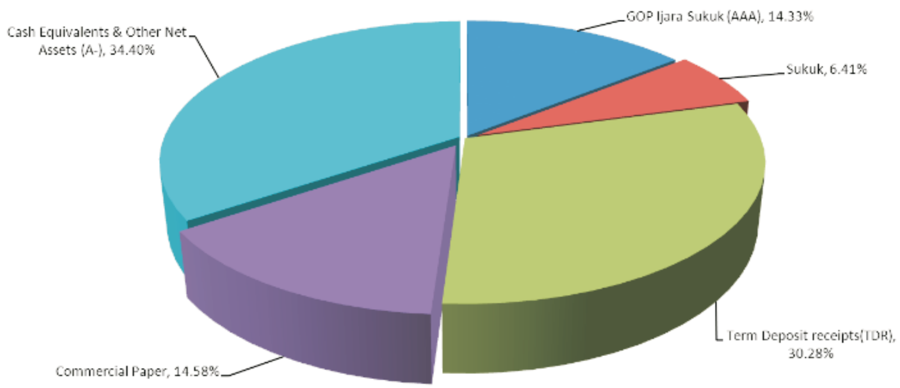
Fund's Performance

The size of NBP Riba Free Savings Fund has decreased from Rs. 5,163 million to Rs. 4,327 million during the period, i.e., a drop of 16%. During the period, the unit price of the Fund has increased from Rs. 9.6460 (Ex-Div) on June 30, 2020 to Rs. 10.2426 on June 30, 2021 thus posting a return of 6.2% 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.

NRFSF is an Islamic Income Scheme with no direct or indirect exposure to stock market. The stability rating of the Fund by PACRA is A+ (f), which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months. GOP Ijarah Sukuks are floating rate Shariah compliant securities with six monthly coupon resets. This minimizes pricing risk.

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 Corona virus cases in the country.

The Fund has earned a total income of Rs. 386.611 million during the year. After deducting total expenses of Rs. 85.013 million, the net income is Rs. 301.598 million. The asset allocation of NBP Riba Free Savings 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 6.07% of the opening ex-NAV (6.22% of the par value) for the period 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 Rib Free Savings Fund amounting to Rs. 34.71 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 Riba Free Savings Fund by 0.88% 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, retired 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 ربا فری سیونگز فنڈ کی گیارہویں سالانہ رپورٹ برائے سال مختتمہ 30 جون 2021ء پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

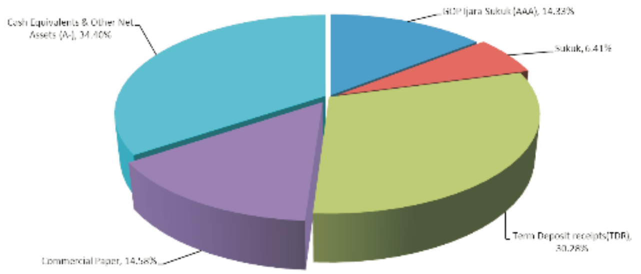
NBP ربا فری سیونگز فنڈ کا سائز اس مدت کے دوران 5,163 ملین روپے سے کم ہوکر 4,327 ملین روپے ہوگیا، یعنی 16% کی کمی ہوئی۔ زیرِ جائزہ مدت کے دوران، فنڈ کی یونٹ قیمت 30 جون 2020 کو 9.6460 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 10.2426 روپے ہوچکی ہے، لہٰذا فنڈ نے اسی مدت کے دوران 3.6% بینچ مارک منافع کے مقابلے میں 6.2% کا منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NRFSF ایک اسلامک انکم اسکیم ہے، جس کا اسٹاک مارکیٹ سے کوئی براہِ راست یا بالواسطہ تعلق نہیں ہے۔ فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیبلیٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تواتر سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرنا ہے۔ کسی بھی واحد انسٹرومنٹ کی میچورٹی، ماسوائے حکومت پاکستان کے اجارہ سکوک، 6 ماہ سے تجاوز نہیں کرسکتی۔ GOP اجارہ سکوک 6 ماہ کو پن ری سیٹ کے ساتھ فلوٹنگ ریٹ شریعہ کمپلینٹ سیکورٹیز ہیں۔ یہ پرائسنگ رسک کو کم از کم کرتی ہے۔

سی پی آئی (CPI) کی پیائش 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۔

فنڈ نے سال کے دوران 386.611 ملین روپے کی کل آمدنی کمائی ہے۔ 85.013 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 301.598 ملین روپے ہے۔

30 جون 2021 کو NBP ربا فری سیونگز فنڈز 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 6.07% (بنیادی قدر کا 6.22%) 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 ربا فری سیونگز فنڈ میں ریکارڈ کی گئی 34.71 ملین روپے ورکرز ویلفیئر فنڈ کی پرووِیژننگ کو 13 اگست 2021 ریورس کردیا گیا۔ پرووِیژن کی اس ریورسل کے باعث NBP ربا فری سیونگز فنڈ کی NAV میں 0.88% 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 24 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 مناریٹی 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 Riba Free Savings 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 Riba Free Savings Fund

NBP Riba Free Savings Fund (NRFSF) is an Open-end Shariah Compliant Income Scheme.

Investment Objective of the Fund

The objective of NBP Riba Free Savings Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah Compliant banks and money market/debt securities.

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 Eleventh Annual report since the launch of the Fund on August 20, 2010. The Fund size has decreased by 16% during FY21 and stands at Rs. 4,327 million as of June 30, 2021. The Fund has posted a return of 7.9% p.a. since its inception versus the benchmark return of 5.5% p.a. During FY21, the Fund posted a return of 6.2% as compared to the benchmark return of 3.6%. This translates into outperformance of 2.6% p.a. This outperformance is net of management fee and all other expenses.

NRFSF is an Islamic Income Scheme with no direct or indirect exposure to the stock market. The Fund was awarded A+(f) stability rating by PACRA. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile. The maturity of any single instrument except GOP Ijarah Sukuks cannot exceed six months. GOP Ijarah Sukuks are floating rate Shariah-compliant securities with six-monthly coupon resets. This minimizes pricing risk.

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 Corona virus cases in the country.

Asset Allocation of Fund (% of NAV)

Particulars	**30-Jun-21**	**30-Jun-20**
Cash (Cash Equivalents) & Other Assets	64.68%	47.06%
GOP Ijara Sukuk	14.33%	20.14%
Sukuk	6.41%	28.57
Commercial Paper	14.58%	4.23%
Total	**100.00%**	**100.00%**

Distribution for the Financial Year 2021

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
June 23, 2021	6.22%	10.8534	10.2319

Unit Holding Pattern of NBP Riba Free Savings Fund as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
1-1000	3210
1001-5000	449
5001-10000	406
10001-50000	1215
50001-100000	494
100001-500000	548
500001-1000000	62
1000001-5000000	37
5000001-10000000	3
10000001-100000000	5
Total	**6,429**

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 Riba Free Savings 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.34.128 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 0.0808 / 0.84%. For details, investors are advised to read note 11.1 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 Rib Free Savings Fund amounting to Rs. 34.71 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 Riba Free Savings Fund by 0.88% 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 Riba Free Savings 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 Eleventh year of the operations of NBP Riba Free Savings Fund (NRFSF). This report is being issued in accordance with clause 3.14 of 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 NRFSF in light of Shari'ah guidelines.

ii. All the provisions of the scheme and investments made on account of NRFSF 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 NRFSF 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 ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of NBP Fund Management Limited (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of NBP Riba Free Savings Fund (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2021, in the form of an independent reasonable assurance conclusion about whether the annexed Statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Offering Document in respect of investments made by the Fund. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed Statement has been assessed comprises of the Shariah Principles as specified in the Offering Document in respect of investments made by the Fund. Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed Statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed Statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed Statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Offering Document in respect of investments made by the Fund, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance with respect to making investments of the Fund in accordance with Shariah Principles; and

- checking that the Shariah Advisor has certified that the investments made during the year ended June 30, 2021 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement, presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Offering Document in respect of investments made by the Fund for the year ended June 30, 2021.

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

To the Unit holders of NBP Riba Free Savings Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Riba Free Savings 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. 2,317.066 million and Rs. 2,838.332 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 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	2,317,066	2,076,787
Investments	5	2,838,332	3,232,720
Profit receivable	6	24,633	61,805
Receivable against issuance of units		3,228	12,083
Deposits and prepayments	7	461	437
Total assets		5,183,720	5,383,832
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	8	22,618	25,646
Payable to Central Depository Company of Pakistan Limited - the Trustee	9	299	380
Payable to the Securities and Exchange Commission of Pakistan	10	1,005	1,209
Payable against purchase of investments		625,481	21
Payable against redemption of units		129,126	94,496
Accrued expenses and other liabilities	11	78,193	99,408
Total liabilities		856,722	221,160
NET ASSETS		4,326,998	5,162,672
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,326,998	5,162,672
CONTINGENCIES AND COMMITMENTS	12		
		-----------(Number of units)---------	
NUMBER OF UNITS IN ISSUE	13	422,452,898	504,564,248
		----------------(Rupees)----------------	
NET ASSET VALUE PER UNIT	14	10.2426	10.2319

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			
Income on corporate sukuk certificates		21,245	65,618
Income on term deposit receipts		75,269	85,570
Income on Islamic commercial papers		52,543	73,064
Income on government securities		66,896	13,251
Income on bai muajjal receivable		10,451	1,290
Profit on bank balances		135,749	535,847
		362,153	774,640
Gain / (loss) on sale of investments - net		22,208	(62)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	5.6	2,250	(22,883)
		24,458	(22,945)
Total income		386,611	751,695
EXPENSES			
Remuneration of NBP Fund Management Limited - the Management Company	8.1	26,196	43,782
Sindh sales tax on remuneration of the Management Company	8.2	3,406	5,692
Selling and marketing expenses	8.5	35,159	41,668
Allocated expenses	8.4	5,829	6,044
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	9.1	3,767	4,533
Sindh sales tax on remuneration of the Trustee	9.2	490	589
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,005	1,209
Securities transaction cost		83	-
Settlement and bank charges		640	131
Auditors' remuneration	15	732	652
Annual rating fee		497	453
Legal and professional charges		253	69
Annual listing fee		28	28
Printing charges		130	53
Shariah advisor fee		643	882
Total operating expenses		78,858	105,785
Net income from operating activities		307,753	645,910
Provision for Sindh Workers' Welfare Fund	11.1	(6,155)	(12,918)
Net income for the year before taxation		301,598	632,992
Taxation	16	-	-
Net income for the year after taxation		301,598	632,992
Earnings per unit	17		
Allocation of net income for the year:			
Net income for the year after taxation		301,598	632,992
Income already paid on units redeemed		(111,764)	(265,372)
		189,834	367,620
Accounting income available for distribution			
- Relating to capital gain		12,040	-
- Excluding capital gain		177,794	367,620
		189,834	367,620

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 after taxation	301,598	632,992
Other comprehensive income	-	-
Total comprehensive income for the year	301,598	632,992

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

	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the year	5,119,835	42,837	5,162,672	6,539,757	29,294	6,569,051
Issue of 529,389,039 units (2020: 815,260,368 units)						
- Capital value (at ex - net asset value per unit)	5,416,656	-	5,416,656	8,476,573	-	8,476,573
- Element of income	107,716	-	107,716	267,990	-	267,990
Total proceeds on issuance of units	5,524,372	-	5,524,372	8,744,563	-	8,744,563
Redemption of 611,500,389 units (2020: 954,408,424 units)						
- Capital value (at ex - net asset value per unit)	(6,256,811)	-	(6,256,811)	(9,739,643)	-	(9,739,643)
- Element of loss	(57,801)	(111,764)	(169,565)	(267,920)	(265,372)	(533,292)
Total payments on redemption of units	(6,314,612)	(111,764)	(6,426,376)	(10,007,563)	(265,372)	(10,272,935)
Total comprehensive income for the year	-	301,598	301,598	-	632,992	632,992
Interim distribution declared on June 26, 2020 @ Rs. 1.0909 per unit	-	-	-	(156,922)	(354,077)	(510,999)
Interim distribution declared on June 23, 2021 @ Rs. 0.6215 per unit	(49,795)	(185,473)	(235,268)	-	-	-
Net assets at the end of the year	4,279,800	47,198	4,326,998	5,119,835	42,837	5,162,672
Undistributed income brought forward						
- Realised income		65,720			29,294	
- Unrealised income		(22,883)			-	
		42,837			29,294	
Accounting income available for distribution						
- Relating to capital gain		12,040			-	
- Excluding capital gain		177,794			367,620	
		189,834			367,620	
Distribution during the year						
@ Rs. 0.6215 per unit (declared on June 23, 2021) June 26, 2020 @ Rs. 1.0909 per unit		(185,473)			(354,077)	
Undistributed income carried forward		47,198			42,837	
Undistributed income carried forward						
- Realised income		44,948			65,720	
- Unrealised income		2,250			(22,883)	
		47,198			42,837	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			10.2319			10.2049
Net asset value per unit at the end of the year			10.2426			10.2319

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 FROM OPERATING ACTIVITIES			
Net income for the year after taxation		301,598	632,992
Adjustments:			
Income on corporate sukuk certificates		(21,245)	(68,095)
Income on term deposit receipts		(75,269)	(85,570)
Income on Islamic commercial papers		(52,543)	(73,064)
Income on government securities		(66,896)	(10,774)
Income on bai muajjal receivable		(10,451)	(1,290)
Profit on bank balances		(135,749)	(535,847)
Unrealised (appreciation) / diminution on re-measurement of investments 'at fair value through profit or loss' - net	5.6	(2,250)	22,883
(Gain) / loss on sale of investments - net		(22,208)	62
Provision for Sindh Worker's Welfare Fund	11.1	6,155	12,918
		(380,456)	(738,777)
Decrease / (increase) in assets			
Investments - net		2,154,306	(1,649,116)
Deposits and prepayments		(24)	(21)
		2,154,282	(1,649,137)
(Decrease) / increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		(3,028)	(7,314)
Payable to Central Depository Company of Pakistan Limited - the Trustee		(81)	(240)
Payable to the Securities and Exchange Commission of Pakistan		(204)	(2,988)
Accrued expenses and other liabilities		(27,370)	35,517
		(30,683)	24,975
Profit received on bank balances, term deposit receipts, corporate sukuk certificates, Islamic commercial papers, government securities and bai muajjal receivable		399,325	780,932
Net cash generated from / (used in) operating activities		2,444,066	(949,015)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received from issuance of units		5,483,432	8,575,558
Amounts paid on redemption of units		(6,391,746)	(10,179,300)
Distributions paid		(185,473)	(354,077)
Net cash used in financing activities		(1,093,787)	(1,957,819)
Net increase / (decrease) in cash and cash equivalents during the year		1,350,279	(2,906,834)
Cash and cash equivalents at the beginning of the year		2,276,787	5,183,621
Cash and cash equivalents at the end of the year	4.3	3,627,066	2,276,787

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 NBP Riba Free Savings Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 29, 2010 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 (the NBFC Rules) 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 the 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 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.

1.4 The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / 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, the Pakistan Credit Rating Agency Limited (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 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

2.1.1 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 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 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 period:

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 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 of financial assets (notes 3.2 and 5), provision for Sindh Workers' Welfare Fund (note 11.1), provision for Federal Excise Duty (note 8.3) and provision for taxation (notes 3.14 and 16).

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 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 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 are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

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 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.

3.2.3 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 recoginses 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.

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 placed on the Management Company's website as required by the SECP's Circular.

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. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

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

3.3.1 Classification and subsequent measurement

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.

3.3.2 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 asset 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.

3.10 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 period in which these arise."

- Income from investments in corporate sukuk certificates, government securities, term deposit receipts, Islamic commercial papers and bai muajjal receivable is recognised on an accrual basis using effective interest rate method.

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

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 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.

3.13 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.

3.14 Taxation

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

3.15 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 17.

4 BANK BALANCES

	Note	2021	2020
		(Rupees in '000)	
Balances with banks in:			
Savings accounts	4.1	2,287,003	2,053,048
Current accounts	4.2	30,063	23,739
		2,317,066	2,076,787

4.1 These include balances of Rs 0.396 million (2020: Nil) and Rs 8.522 million (2020: Rs 3.871 million) maintained with National Bank of Pakistan and BankIslami Pakistan Limited (related parties) that carry profit at the rates of 4.5% (2020: Nil) and 6.8% (2020: 7%) per annum respectively. Other savings accounts of the Fund carry profit at the rates ranging from 6.5% to 7.4% per annum (2020: 7.25% to 8.75% per annum).

4.2 This includes a balance of Rs 3.345 million (2020: Rs 2.758 million) maintained with National Bank of Pakistan (related party).

4.3 Cash and cash equivalents:

	Note	2021	2020
		(Rupees in '000)	
Bank balances	4	2,317,066	2,076,787
Term deposit receipts	5.3	1,310,000	200,000
		3,627,066	2,276,787

5 INVESTMENTS

	Note	2021	2020
Financial assets 'at fair value through profit or loss'			
Government securities	5.1	897,363	1,539,618
Islamic commercial papers	5.2	630,969	218,136
Term deposit receipts	5.3	1,310,000	200,000
Corporate sukuk certificates	5.4	-	975,000
Bai muajjal receivable	5.5	-	299,966
		2,838,332	3,232,720

5.1 Government securities

Name of security	Profit payments	Maturity date	Profit rate	As at July 1, 2020	Purchased during the year	Sold during the year	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
				Number of certificates				(Rupees in '000)	%	
GoP Ijarah sukuk XX (Face value of Rs. 100,000 per certificate)	Semi-annually	April 30, 2025	Weighted average 6 months T-Bills	157,500	632,000	739,500	50,000	242,800	8.55%	5.61%
GoP Ijarah sukuk XXI (Face value of Rs. 100,000 per certificate)	Semi-annually	May 29, 2025	Weighted average 6 months T-Bills	55,000	150,000	130,000	75,000	377,363	13.30%	8.72%
Pakistan Energy Sukuk-II (Face value of Rs. 5,000 per certificate)	Semi-annually / At maturity	May 20, 2030	06 months KIBOR plus base rate of 0.10%	55,000	-	-	55,000	277,200	9.77%	6.41%
Market value as at June 30, 2021								897,363	31.62%	20.74%
Carrying value as at June 30, 2021								895,113		
Market value as at June 30, 2020								1,539,618		
Carrying value as at June 30, 2020								1,562,500		

5.2 Islamic commercial papers

Name of security	Face value: As at July 1, 2020	Face value: Purchased during the year	Face value: Disposed off / 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
	(Rupees in '000)					%	
POWER GENERATION & DISTRIBUTION							
K-Electric Limited ICP 8 (A-1+, VIS)	225,000	-	225,000	-	-	-	-
K-Electric Limited ICP 9 (A-1+, VIS)	-	125,000	125,000	-	-	-	-
K-Electric Limited ICP 10 (A-1+, VIS)	-	450,000	450,000	-	-	-	-
K-Electric Limited ICP 11 (A-1+, PACRA)	-	30,000	30,000	-	-	-	-
K-Electric Limited ICP 13 (A-1+, VIS)	-	205,000	205,000	-	-	-	-
K-Electric Limited ICP 15 (AA, PACRA)	-	372,000	-	372,000	366,914	12.93%	8.48%
K-Electric Limited ICP 16 (AA, PACRA)	-	80,000	-	80,000	78,628	2.77%	1.82%
K-Electric Limited ICP 18 (A-1+, VIS)	-	190,000	-	190,000	185,427	6.53%	4.29%
Market value as at June 30, 2021					630,969	22.23%	14.59%
Carrying value as at June 30, 2021					630,969		
Market value as at June 30, 2020					218,136		
Carrying value as at June 30, 2020					218,136		

5.2.1 These carry profit rates ranging from 8.1% to 8.48% (2020: 12.18%) per annum and are due to mature latest by October 19, 2021.

5.3 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	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	July 5, 2020	7.35%	200,000	-	200,000	-	-	-	-
United Bank Limited - Islamic Banking	August 6, 2020	6.65%	-	201,000	201,000	-	-	-	-
United Bank Limited - Islamic Banking	August 21, 2020	6.65%	-	200,000	200,000	-	-	-	-
United Bank Limited - Islamic Banking	August 22, 2020	6.65%	-	410,000	410,000	-	-	-	-
United Bank Limited - Islamic Banking	August 24, 2020	6.65%	-	8,500	8,500	-	-	-	-
United Bank Limited - Islamic Banking	August 29, 2020	6.65%	-	12,000	12,000	-	-	-	-
BankIslami Pakistan Limited - a related party	August 31, 2020	6.75%	-	150,000	150,000	-	-	-	-
United Bank Limited - Islamic Banking	November 6, 2020	6.65%	-	206,000	206,000	-	-	-	-
United Bank Limited - Islamic Banking	November 21, 2020	6.65%	-	177,500	177,500	-	-	-	-
United Bank Limited - Islamic Banking	November 24, 2020	6.65%	-	424,500	424,500	-	-	-	-
United Bank Limited - Islamic Banking	November 30, 2020	6.65%	-	22,000	22,000	-	-	-	-
United Bank Limited - Islamic Banking	December 9, 2020	6.65%	-	10,500	10,500	-	-	-	-
BankIslami Pakistan Limited - a related party	November 2, 2020	6.75%	-	830,000	830,000	-	-	-	-
United Bank Limited - Islamic Banking	December 31, 2020	6.65%	-	77,000	77,000	-	-	-	-
BankIslami Pakistan Limited - a related party	November 30, 2020	6.75%	-	843,500	843,500	-	-	-	-
BankIslami Pakistan Limited - a related party	December 30, 2020	7.00%	-	810,000	810,000	-	-	-	-
BankIslami Pakistan Limited - a related party	January 29, 2021	7.10%	-	777,500	777,500	-	-	-	-
United Bank Limited - Islamic Banking	February 6, 2021	6.65%	-	136,000	136,000	-	-	-	-
United Bank Limited - Islamic Banking	February 24, 2021	6.65%	-	600,000	600,000	-	-	-	-
BankIslami Pakistan Limited - a related party	March 2, 2021	7.10%	-	734,000	734,000	-	-	-	-
United Bank Limited - Islamic Banking	March 8, 2021	6.85%	-	113,500	113,500	-	-	-	-
United Bank Limited - Islamic Banking	March 24, 2021	6.85%	-	578,000	578,000	-	-	-	-
BankIslami Pakistan Limited - a related party	April 5, 2021	6.90%	-	685,000	685,000	-	-	-	-
United Bank Limited - Islamic Banking	April 8, 2021	6.85%	-	98,000	98,000	-	-	-	-
BankIslami Pakistan Limited - a related party	May 5, 2021	7.15%	-	651,000	651,000	-	-	-	-
United Bank Limited - Islamic Banking	May 8, 2021	6.85%	-	98,000	98,000	-	-	-	-
BankIslami Pakistan Limited - a related party	June 7, 2021	7.15%	-	648,000	648,000	-	-	-	-
United Bank Limited - Islamic Banking	July 30, 2021	6.90%	-	660,000	-	660,000	660,000	23.25%	15.25%
BankIslami Pakistan Limited - a related party	August 2, 2021	7.30%	-	650,000	-	650,000	650,000	22.90%	15.02%
Market value as at June 30, 2021							1,310,000	46.15%	30.27%
Carrying value as at June 30, 2021							1,310,000		
Market value as at June 30, 2020							200,000		
Carrying value as at June 30, 2020							200,000		

5.3.1 These carry profit rates ranging from 6.9% to 7.30% (2020: 7.35%) per annum and are due to mature latest by August 2, 2021.

5.4 Corporate sukuk certificates

Name of 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	Market value as a percentage of net assets	Market value as a percentage of total investments
					------------ Number of certificates ------------				Rupees in '000	------------ %	------------
POWER GENERATIONAND 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%	7,000	-	7,000	-	-	-	-
K-Electric Limited Sukuk (traded) (Face value of Rs. 5,000 per certificate)	AA+, VIS	Quarterly	August 3, 2027	03 Months KIBOR plus base rate of 1.7%	100,000	-	100,000	-	-	-	-
Kot Addu Power Company Limited (Face value of Rs. 100,000 per certificate)	A-1+, VIS	Quarterly / At maturity	June 08, 2021	03 Months KIBOR plus base rate of 0.7%	-	670	670	-	-	-	-
Market value as at June 30, 2021									-	-	-
Carrying value as at June 30, 2021									-		
Market value as at June 30, 2020									975,000		
Carrying value as at June 30, 2020									975,000		

5.5 Bai muajjal receivable

Name of investee company	Rating	As at July 1, 2020	Purchased during the year	Matured during the year	As at June 30, 2021	Market value as at June 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		--------------------(Rupees in '000)				--------------------	--------- (%)	---------
DEVELOPMENT FINANCE INSTITUTION								
Pak Brunei Investment Company Limited	AA+, VIS	299,966	-	299,966	-	-	-	-
Market value as at June 30, 2021						-	-	-
Carrying value as at June 30, 2021						-		
Market value as at June 30, 2020						299,966		
Carrying value as at June 30, 2020						299,966		

5.6 Unrealised appreciation / (diminution) 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, 5.4 & 5.5	2,838,332	3,232,720
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	(2,836,082)	(3,255,603)
		2,250	(22,883)

		Note	2021	2020
6	**PROFIT RECEIVABLE**		----------- (Rupees in '000)	-----------
	Profit receivable on:			
	- bank balances		16,848	17,071
	- term deposit receipts		255	1,047
	- corporate sukuk certificates		-	29,146
	- government securities		7,530	13,251
	- bai muajjal receivable		-	1,290
			24,633	61,805

			2021	2020
7	**DEPOSITS AND PREPAYMENTS**			
	Security deposit with Central Depository Company of Pakistan Limited*		200	200
	Prepaid annual rating fee		261	237
			461	437

*related party balance

		Note	2021	2020
8	**PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY**			
	Remuneration of the Management Company	8.1	1,776	2,760
	Sindh sales tax on remuneration of the Management Company	8.2	231	360
	Federal excise duty on remuneration of the Management Company	8.3	10,657	10,657
	Federal excise duty on sales load	8.3	334	334
	Sales and transfer load payable		621	147
	Sindh sales tax on sales load payable		81	19
	Allocated expenses payable	8.4	1,344	1,422
	Selling and marketing expenses payable	8.5	7,522	9,947
	ADC charges payable including Sindh sales tax		52	-
			22,618	25,646

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 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
6% on net income, subject to floor and capping of 0.5% and 1.25% per annum of the average annual net assets.	7% on net income, subject to floor and capping of 0.5% and 1.25% per annum of the average annual net assets.	6% on net income, subject to floor and capping of 0.5% and 1.25% per annum of the average annual net assets.

The remuneration is payable to the Management Company in arrears.

8.2 During the period, an amount of Rs. 3.406 million (2020: Rs. 5.692 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%).

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 Sindh High Court (SHC) 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, SHC 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 Supreme Court of Pakistan (SCP) 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 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 10.657 million (2020: Rs 10.657 million) is being retained in these financial statements of the Fund as the matter is pending before the SHC. 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 0.0252 (2020: Re 0.0211) per unit.

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

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

8.5 The SECP had 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 has 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.

The Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.7% per annum of the average annual net assets for the year (2020: 0.7% of the average annual net assets of the Fund). This has been duly approved by the Board of Directors of the Management Company.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE	Note	2021	2020
			(Rupees in 000)	
	Trustee fee payable	9.1	265	337
	Sindh sales tax payable on Trustee fee	9.2	34	43
			299	380

9.1 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.

9.2 During the year, an amount of Rs 0.490 million (2020: 0.589 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	1,005	1,209

10.1 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.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021	2020
			(Rupees in '000)	
	Auditors' remuneration payable		585	551
	Provision for Sindh Workers' Welfare Fund	11.1	34,128	27,973
	Bank charges payable		54	58
	Settlement charges payable		25	12
	Withholding tax payable		35,988	60,447
	Capital gain tax payable		6,638	9,376
	Legal and professional charges payable		80	80
	Shariah advisor fee payable		643	882
	Printing charges payable		52	29
			78,193	99,408

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 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 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. 0.0808 per unit (2020: Re. 0.0554 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 of units -----------	
Total units in issue at the beginning of the year	504,564,248	643,712,304
Units issued during the year	529,389,039	815,260,368
Less: units redeemed during the year	(611,500,389)	(954,408,424)
Total units in issue at the end of the year	422,452,898	504,564,248

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	420	410
Half yearly review	170	164
Other certification	100	60
Out of pocket expenses	42	18
	732	652

16 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.

17 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.

18 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at June 30, 2021 is 1.69% (2020: 1.97%) which includes 0.22% (2020: 0.34%) representing government levies, Sindh Worker's Welfare Fund and the SECP fee. The TER excluding government levies is 1.47% (2020: 1.63%) which is within the prescribed limit for the ratio is 2.5% (2020: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as Shariah compliant income scheme.

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 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	26,196	43,782
Sindh sales tax on remuneration of the Management Company	3,406	5,692
Selling and marketing expenses	35,159	41,668
Allocated expenses	5,829	6,044
Sales load and Sindh sales tax on sales load	4,039	1,084
ADC charges including Sindh sales tax	173	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	3,767	4,533
Sindh sales tax on remuneration of the Trustee	490	589
Settlement charges	115	-
Employees of the Management Company		
Units issued / transferred in: 5,956,887 units (2020: 3,408,195 units)	62,063	36,125
Units redeemed / transferred out: 5,476,838 units (2020: 4,753,227 units)	57,572	51,151
Dividend re-invest: 23,084 units (2020: 82,734 units)	236	336

	2021	2020
	------------ (Rupees in '000) ------------	
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Units issued / transferred in: Nil (2020: 436,294 units)	-	4,452
Units redeemed / transferred out: 436,294 units (2020: 722,390 units)	4,530	8,003
Portfolio managed by the Management Company		
Units issued / transferred in: 2,390,855 units (2020: 14,786,200 units)	24,584	157,924
Units redeemed / transferred out: 10,774,681 units (2020: 14,745,162 units)	112,567	158,577
Dividend re-invest: Nil (2020: 418,182 units)	-	4,270
Sale of sukuk certificates - K-Electric Limited	33,620	-
Mr. Khalid Mehmood - Chief Financial Officer		
Units issued / transferred in: 59 units (2020: 38,846 units)	1	400
Units redeemed / transferred out: Nil (2020: 441,969 units)	-	4,722
Dividend re-invest: 1 unit (2020: Nil)	-	-
BankIslami Pakistan Limited - common directorship		
Profit on bank balances	27,685	183,360
Profit on term deposit receipts	37,757	83,206
Placement in term deposit receipts	6,779,000	6,421,000
Term deposit receipts matured	6,129,000	-
Purchase of sukuk certificates - GoP Ijarah sukuks	471,563	787,500
Sale of sukuk certificates - GoP Ijarah sukuks	954,974	-
The Hub Power Company Limited - common directorship		
Sale of sukuk certificates	761,838	-
Purchase of sukuk certificates	-	700,000
Income on sukuk certificates	-	28,483
NBP Islamic Money Market Fund		
Sale of Islamic commercial papers	-	201,131
NBP Islamic Daily Dividend Fund		
Sale of Islamic commercial papers	-	157,638
NBP Islamic Income Fund		
Sale of sukuk certificates	104,597	-
NBP Islamic Sarmaya Izafa Fund		
Sale of sukuk certificates - GoP Ijarah sukuks	297,813	-
Purchase of sukuk certificates - GoP Ijarah sukuks	100,744	-
NBP Islamic Mahana Amdani Fund		
Sale of sukuk certificates	1,125,418	-
Sale of Islamic commercial papers	204,407	388,056
Pakistan Stock Exchange Limited - common directorship		
Listing fee paid	25	25
National Clearing Company of Pakistan Limited - common directorship		
Settlement charges	285	-

	2021	2020
	----------- (Rupees in '000) -----------	
19.7 Amounts outstanding as at year end are as follows :		
NBP Fund Management Limited - the Management Company		
Remuneration of the Management Company	1,776	2,760
Sindh sales tax on remuneration of the	231	360
Federal excise duty on remuneration of the	10,657	10,657
Federal excise duty on sales load	334	334
Sales and transfer load payable	621	147
Sindh sales tax on sales load payable	81	19
Allocated expenses payable	1,344	1,422
Selling and marketing expenses payable	7,522	9,947
ADC charges payable including Sindh sales tax	52	-
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of the Trustee	265	337
Sindh sales tax on remuneration of the Trustee	34	43
CDS charges payable	15	13
Security deposit	200	200
National Bank of Pakistan - parent company		
Bank balances	3,741	2,758
BankIslami Pakistan Limited - common directorship		
Bank balances	8,522	3,871
Term deposit placements	650,000	-
Profit accrued on bank balances	569	49
Profit accrued on term deposit placements	130	-
Employees of the Management Company		
Investment held in the Fund: 1,335,132 units (2020: 833,335 units)	13,675	8,527
National Fullerton Asset Management Employee Provident Fund - Provident Fund of the Management Company		
Investment held in the Fund: Nil (2020: 436,294 units)	-	4,464
Portfolio managed by the Management Company		
Units held: 190 units (2020: 6,811,544 units)	2	69,695
National Clearing Company of Pakistan Limited - common directorship		
Settlement charges payable	10	-
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: 60 units (2020: Nil)	1	-

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	2,317,066	-	2,317,066
Investments	-	2,838,332	2,838,332
Profit receivable	24,633	-	24,633
Receivable against issuance of units	3,228	-	3,228
Deposits	200	-	200
	2,345,127	2,838,332	5,183,459
Financial Liabilities			
Payable to NBP Fund Management Limited - the Management Company	22,618	-	22,618
Payable to Central Depository Company of Pakistan Limited - the Trustee	299	-	299
Payable against redemption of units	129,126	-	129,126
Payable against purchase of investments	625,481	-	625,481
Accrued expenses and other liabilities	1,439	-	1,439
	778,963	-	778,963

	2020		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	2,076,787	-	2,076,787
Investments	-	3,232,720	3,232,720
Profit receivable	61,805	-	61,805
Receivable against issuance of units	12,083	-	12,083
Deposits	200		200
	2,150,875	3,232,720	5,383,595
Financial Liabilities			
Payable to NBP Fund Management Limited - the Management Company	25,646	-	25,646
Payable to Central Depository Company of Pakistan Limited - the Trustee	380	-	380
Payable against redemption of units	94,496	-	94,496
Payable against purchase of investments	21	-	21
Accrued expenses and other liabilities	1,612	-	1,612
	122,155	-	122,155

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 bank balances and investments in government securities, Islamic commercial papers and term deposit receipts. 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, term deposit receipts and government securities 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 and net assets of the Fund would have been higher / lower by Rs 44.94 million (2020: Rs 35.28 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund holds Islamic commercial papers which expose the Fund to fair value profit rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan 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 6.31 million (2020: Rs 20.09 million).

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	4.5% - 7.4%	2,287,003	-	-	30,063	2,317,066
Investments	5.95% - 8.48%	1,755,542	1,082,790	-	-	2,838,332
Profit receivable		-	-	-	24,633	24,633
Receivable against issuance of units		-	-	-	3,228	3,228
Deposits		-	-	-	200	200
		4,042,545	1,082,790	-	58,124	5,183,459

	2021					
	Effective profit rate (%)	Exposed to yield / profit rate risk: Up to three months	Exposed to yield / profit rate risk: More than three months and up to one year	Exposed to yield / profit rate risk: More than one year	Not exposed to yield / profit rate risk	Total
		(Rupees in '000)				
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	22,618	22,618
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	299	299
Payable against purchase of investments		-	-	-	129,126	129,126
Payable against redemption of units		-	-	-	625,481	625,481
Accrued expenses and other liabilities		-	-	-	1,439	1,439
		-	-	-	778,963	778,963
On-balance sheet gap		4,042,545	1,082,790	-	(720,839)	4,404,496
Total profit rate sensitivity gap		4,042,545	1,082,790	-		
Cumulative profit rate sensitivity gap		4,042,545	5,125,335	5,125,335		

	2020					
	Effective profit rate (%)	Exposed to yield / profit rate risk: Up to three months	Exposed to yield / profit rate risk: More than three months and up to one year	Exposed to yield / profit rate risk: More than one year	Not exposed to yield / profit rate risk	Total
		(Rupees in '000)				
Financial assets						
Bank balances	7% - 8.75%	2,053,048	-	-	23,739	2,076,787
Investments	6.97% - 12.18%	418,136	2,814,584	-	-	3,232,720
Profit receivable		-	-	-	61,805	61,805
Receivable against issuance of units		-	-	-	12,083	12,083
Deposits		-	-	-	200	200
		2,471,184	2,814,584	-	97,827	5,383,595
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	25,646	25,646
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	380	380
Payable against purchase of investments		-	-	-	21	21
Payable against redemption of units		-	-	-	94,496	94,496
Accrued expenses and other liabilities		-	-	-	1,612	1,612
		-	-	-	122,155	122,155
On-balance sheet gap		2,471,184	2,814,584	-	(24,328)	5,261,440
Total profit rate sensitivity gap		2,471,184	2,814,584	-		
Cumulative profit rate sensitivity gap		2,471,184	5,285,768	5,285,768		

(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.

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	22,618	-	-	-	-	-	22,618
Payable to Central Depository Company of Pakistan Limited - the Trustee	299	-	-	-	-	-	299
Payable against purchase of investments	625,481	-	-	-	-	-	625,481
Payable against redemption of units	129,126	-	-	-	-	-	129,126
Accrued expenses and other liabilities	854	585	-	-	-	-	1,439
	778,378	585	-	-	-	-	778,963

	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 - the Management Company	25,646	-	-	-	-	-	25,646
Payable to Central Depository Company of Pakistan Limited - the Trustee	380	-	-	-	-	-	380
Payable against purchase of investments	21	-	-	-	-	-	21
Payable against redemption of units	94,496	-	-	-	-	-	94,496
Accrued expenses and other liabilities	1,061	551	-	-	-	-	1,612
	121,604	551	-	-	-	-	122,155

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	Maximum exposure to credit risk	Balance as per statement of assets and	Maximum exposure to credit risk
	(Rupees in '000)			
Bank balances	2,317,066	2,317,066	2,076,787	2,076,787
Investments	2,838,332	1,940,969	3,232,720	1,693,102
Profit receivable	24,633	17,103	61,805	48,554
Receivable against issuance of units	3,228	3,228	12,083	12,083
Deposits	200	200	200	200
	5,183,459	4,278,566	5,383,595	3,830,726

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.

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 bank balances and investments are as follows:

Bank balances	% of financial assets exposed to credit risk	
	2021	2020
AAA	0.71%	0.96%
AA+	48.06%	0.02%
AA	0.01%	0.00%
AA-	0.22%	0.11%
A+	0.21%	0.67%
A	5.20%	0.07%
A-	-	36.28%
BBB-	0.14%	0.89%
Islamic commercial papers		
AA	10.41%	0.00%
A-1+	4.33%	4.18%
Term deposit receipts		
AAA	15.43%	3.73%
A+	15.20%	-
Corporate sukuk certificates		
AA+	-	18.65%
Bai muajjal receivable		
AA+	-	5.60%
	99.92%	71.16%

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing at 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 value:

	2021			
	Level 1	Level 2	Level 3	Total
	Rupees in 000			
At fair value through profit or loss				
Government securities	-	897,363	-	897,363
Islamic commercial papers*	-	630,969	-	630,969
Term deposit receipts**	-	1,310,000	-	1,310,000
	-	2,838,332	-	2,838,332

	2020			
	Level 1	Level 2	Level 3	Total
	Rupees in 000			
At fair value through profit or loss				
Government securities	-	1,539,618	-	1,539,618
Islamic commercial papers*	-	218,136	-	218,136
Term deposit receipts**	-	200,000	-	200,000
Corporate sukuk certificates**	-	975,000	-	975,000
Bai muajjal receivable*	-	299,966	-	299,966
	-	3,232,720	-	3,232,720

* The valuation of Islamic commercial papers and bai muajjal receivable has been done based on amortisation to their fair values as per the guidelines given in Circular 33 of 2012 by the SECP as the residual maturities of these investments are less than six months and 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 have high credit ratings.

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 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	6,355	2,790,881	64.50%	6,362	3,142,778	60.88%
Associated companies and directors	-	-	-	1	4,464	0.09%
Insurance companies	2	21	0.00%	1	566	0.01%
Retirement funds	26	243,357	5.62%	61	890,205	17.24%
Public limited companies	2	60	0.00%	2	249	0.00%
Others	44	1,292,679	29.87%	58	1,124,410	21.78%
	6429	4,326,998	100%	6485	5,162,672	100%

25 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Paramount Capital (Pvt) Ltd	58.50%	Paramount Capital (Pvt) Ltd	100.00%
Invest One Markets Limited	40.71%		
Bright Capital (Private) Limited	0.78%		

25.1 The Fund has traded with only the above mentioned three brokers / dealers during the year ended June 30, 2021. (2020: one broker / dealer).

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
Taha Khan Javed	Deputy Chief Investment Officer	CFA & MBA	15
Hassan Raza	Head of Research	ACCA / BSC / CFA	10
Muhammad Ali Bhabha (note 26.1)	Head of Fixed Income	CFA, MBA, FRM and MS	26

26.1 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 Mahana Amdani Fund
- NBP Islamic Money Market Fund
- NBP Islamic Savings Fund
- NBP Mahana Amdani Fund
- NBP Money Market Fund
- NBP Islamic Daily Dividend Fund
- NBP Stock Fund
- NBP Islamic Income Fund

27 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 27.1]	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 27.2]	2	2	-	-

27.1 Saad ur Rahman Khan resigned as director on December 03, 2020.

27.2 Mehnaz Salar was appointed 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, 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 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')	4,326,998	5,162,672	6,569,051	4,017,201	2,127,149	1,160,226
Net Income (Rs. '000')	301,598	632,992	489,101	169,695	60,421	18,826
Net Asset Value per units (Rs.)	10.2426	10.2319	10.2049	10.7219	10.1882	10.1693
Offer price per unit	10.3583	10.2897	10.2625	10.7825	10.2458	10.2365
Redemption price per unit	10.2426	10.2319	10.2049	10.7219	10.1882	10.1693
Ex - Highest offer price per unit (Rs.)	10.3583	10.2897	10.2625	10.7825	10.2458	10.2365
Ex - Lowest offer price per unit (Rs.)	9.7024	9.2222	9.4344	10.2471	9.6871	9.7058
Ex - Highest redemption price per unit (Rs.)	10.2426	10.2319	10.2049	10.7219	10.1882	10.1693
Ex - Lowest redemption price per unit (Rs.)	9.6479	9.2222	9.3783	10.1895	9.6249	9.6397
Fiscal Year Opening Ex Nav	9.6460	10.2049	9.3736	10.1882	9.6235	9.6361
Total return of the fund	6.19%	10.95%	8.87%	5.20%	5.87%	5.53%
Capital growth	0.11%	0.26%	0.17%	0.00%	-0.13%	0.05%
Income distribution as a % of ex nav	6.07%	10.69%	8.694%	5.24%	5.99%	5.48%
Income distribution as a % of par value	6.22%	10.91%	8.858%	5.33%	5.77%	5.57%
Distribution						
Interim distribution per unit	0.6215	1.0909	0.8858		0.5768	0.5570
Final distribution per unit				0.5334	-	-
Distribution dates						
Interim	23-Jun-21	26-Jun-2020	26-Jun-2019		21-Jun-2017	30-Jun-2016
Final				04-Jul-2018		
Average annual return (launch date 21-08-2010)						
(Since inception to June 30, 20201	7.93%					
(Since inception to June 30, 2020)		8.11%				
(Since inception to June 30, 2019)			7.79%			
(Since inception to June 30, 2018)				7.66%		
(Since inception to June 30, 2017)					8.01%	
(Since inception to June 30, 2016)						8.38%
(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 (Please see Fund Manager Report)						
Weighted average portfolio duration	50 Days	67 Days	14 Days	4 Days	8 Days	78 days

"Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go dow n, as w ell as up."

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

NBP MAHANA AMDANI 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

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushhali Bank Limited
MCB Bank Limited
Meezan Bank Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
The First Microfinance Bank Limited
U Microfinance Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited
Mobilink 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 Twelfth Annual Report of **NBP Mahana Amdani Fund** (NMAF) for the year ended June 30, 2021.

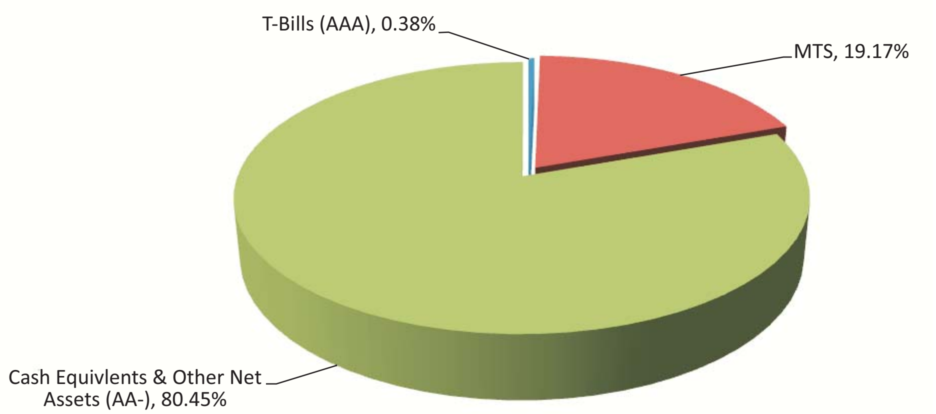
Fund's Performance

The size of NBP Mahana Amdani Fund has increased from Rs. 2,928 million to Rs. 5,287 million during the period, i.e., an increase of 81%. During the said period, the unit price of the Fund has increased from Rs. 9.5037 (Ex-Div) on June 30, 2020 to Rs. 10.1883 on June 30, 2021 thus posting a return of 7.2% as compared to its Benchmark return of 7.4% for the same period. The return of the Fund is net of management fee and all other expenses.

The Fund is rated 'AA- (f)' by PACRA, which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund is allowed to invest in MTS. However, internal guidelines permit financing in only fundamentally strong companies. It is pertinent to mention that in this asset class the Fund provides financing at only pre-determined rate of return with no direct exposure to the stock market.

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.

The Fund has earned a total income of Rs. 506.389 million during the year. After deducting total expenses of Rs. 88.764 million, the net income is Rs. 417.625 million. The asset allocation of NBP Mahana Amdani 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 6.957% of the opening ex-NAV (7.08% of the par value) for the period 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 Mahana Amdani Fund amounting to Rs. 16.05 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 Mahana Amdani Fund by 0.3% 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, retired 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 29 to these financial statements.

11. The detailed pattern of unit holding is disclosed in the note 26 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 ماہانہ آمدنی فنڈ (NMAF) کی بارہویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2021 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

فنڈ کی کارکردگی

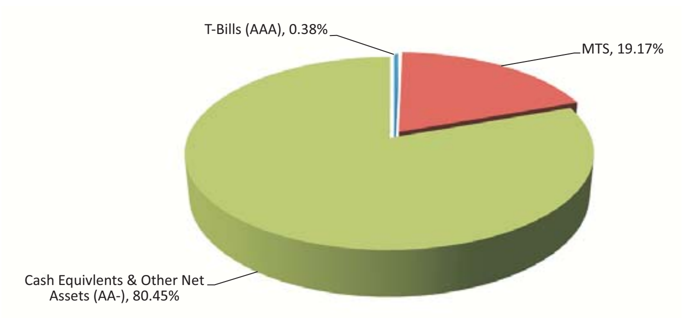
اس مدت کے دوران این بی پی ماہانہ آمدنی فنڈ کا سائز 2,928 ملین روپے سے بڑھ کر 5,287 ملین روپے ہوگیا ہے، یعنی 81% کا اضافہ ہوا۔ مذکورہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.5037 روپے (Ex-Div) سے بڑھ کر 30 جون 2021 کو 10.1883 روپے تک پہنچ چکی ہے، لہٰذا اسی مدت کے لئے اپنے بنچ مارک منافع 7.4% کے مقابلے میں 7.2% منافع درج کرایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ کو PACRA کی طرف سے AA-(f) کی ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشاندہی کرتی ہے۔ فنڈ کی میچورٹی کی نپی تلی اوسط مدت ایک سال سے زائد نہیں ہوسکتی۔ فنڈ کو MTS میں سرمایہ کاری کی اجازت ہے، تاہم NBP فنڈز کی داخلی ہدایات صرف بنیادی طور پر مستحکم کمپنیوں میں سرمایہ کاری کی اجازت دیتی ہیں۔ یہ یہاں ذکر مناسب ہے کہ اس ایسیٹ کلاس میں فنڈ منافع کی پہلے سے طے شدہ شرح منافع پر فائنانسنگ فراہم کرتا ہے اور اسٹاک مارکیٹ میں براہ راست سرمایہ کاری نہیں کرتا۔

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۔

فنڈ کو سال کے دوران 506.389 ملین روپے کی مجموعی آمدنی ہوئی۔ 88.764 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 417.625 ملین روپے ہے۔

30 جون 2021 کو این بی پی ماہانہ آمدنی 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 6.957% (بنیادی قدر کا 7.08%) عبوری 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 ماہانہ آمدنی فنڈ میں ریکارڈ کی گئی 16.05 ملین روپے ورکرز ویلفیئر فنڈ کی پروویژننگ کو 13 اگست 2021 ریورس کر دیا گیا۔ پروویژن کی اس ریورسل کے باعث NBP ماہانہ آمدنی فنڈ کی NAV میں 0.3% 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 لئے اپنے آپ کو دوبارہ تقرری کے لئے 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 29 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 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 ارتضی کاظمی 3• محترمہ مہناز سالار 4• جناب علی سیگل 5• جناب عمران ظفر

اظہارتشکر

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 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 Mahana Amdani Fund

NBP Mahana Amdani Fund (NMAF) is an Open-End Income Scheme.

Investment Objective of the Fund

The objective of NBP Mahana Amdani Fund is to minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio primarily constituted of bank deposits and money market instruments.

Benchmark
6-Month KIBOR.

Fund Performance Review

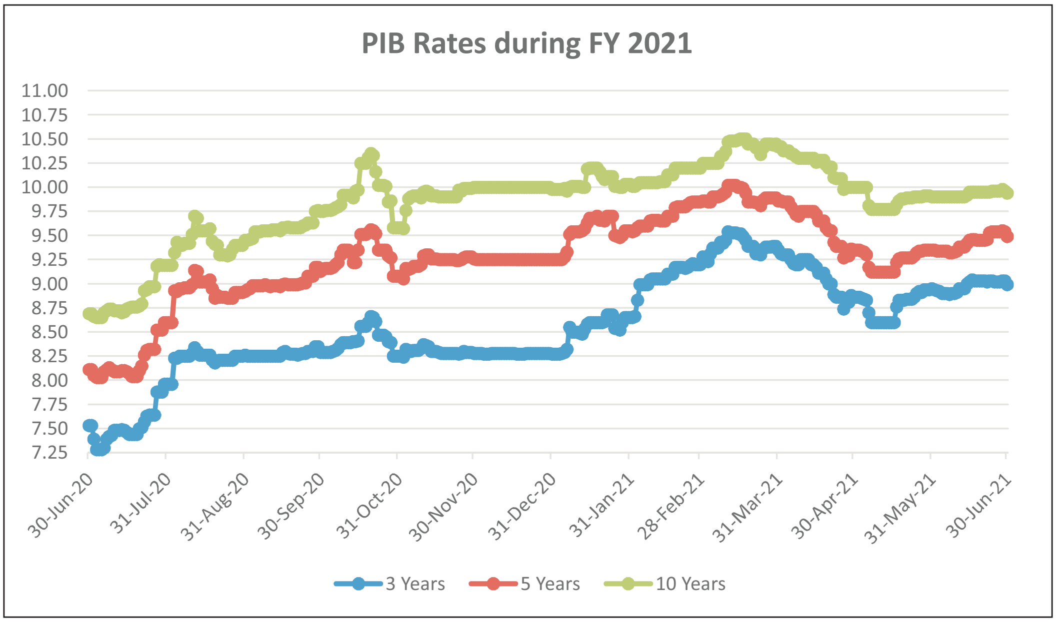
This is the Twelfth Annual report since the launch of the Fund on November 21, 2009. The Fund size increased notably by 81% during the year and stands at Rs. 5,287 million as of June 30, 2021. Since its inception, the Fund has generated 8.8% p.a. return against the benchmark return of 7.7% p.a. This translates into outperformance of 1.1% p.a. During FY21, the Fund posted a 7.2% return versus the benchmark return of 7.4%. The return of the Fund is net of management fee and all other expenses.

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 Fund (% of NAV)

Particulars	**30-Jun-21**	**30-Jun-20**
T-Bills	0.38%	6.81%
Placements with Banks	-	1.02%
Margin Trading System (MTS)	19.17%	11.54%
Cash (Cash Equivalents) & Other Assets	80.45%	80.63%
Total	**100.00%**	**100.00%**

PIB yields during the year are shown in the below graph:



Distribution for the Financial Year 2021

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
December 24, 2020	3.620%	10.5385	10.1765
June 25, 2021	3.46%	10.5226	10.1765

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

Size of Unit Holding (Units)	# of Unit Holders
1-1000	2210
1001-5000	603
5001-10000	511
10001-50000	1305
50001-100000	683
100001-500000	784
500001-1000000	97
1000001-5000000	66
5000001-10000000	4
10000001-100000000	2
Total	**6,265**

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 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. 15.17 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs.0.0292. 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 Mahana Amdani Fund amounting to Rs. 16.05 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 Mahana Amdani Fund by 0.3% 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 Mahana Amdani Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP 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 note 4 to the annexed financial statements)	
	Bank balances constitute the most significant component of the net asset value (NAV). Bank balances of the Fund as at June 30, 2021 amounted to Rs. 4,278.626 million. The existence of bank balances 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: • obtained independent confirmations for verifying the existence of 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; • 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 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	**4,278,626**	2,300,436
Investments	5	**19,945**	229,418
Receivable against Margin Trading System (MTS)	6	**1,013,394**	337,740
Profit receivable	7	**26,292**	15,424
Deposits and prepayments	8	**640**	614
Receivable against issuance of units		**35,599**	104,640
Total assets		**5,374,496**	2,988,272
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	9	**31,893**	16,749
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	**600**	249
Payable to the Securities and Exchange Commission of Pakistan	11	**1,215**	361
Payable against redemption of units		**5,551**	13,891
Accrued expenses and other liabilities	12	**47,915**	29,111
Total liabilities		**87,174**	60,361
NET ASSETS		**5,287,322**	2,927,911
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**5,287,322**	2,927,911
CONTINGENCIES AND COMMITMENTS	13		
		--------- (Number of units) ---------	
NUMBER OF UNITS IN ISSUE	14	**518,960,391**	287,712,816
		--------------- (Rupees) --------------	
NET ASSET VALUE PER UNIT	15	**10.1883**	10.1765

The annexed notes 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			
Income on government securities		**50,528**	34,222
Income on commercial papers		**13,505**	7,904
Income on term deposit receipts		**15,222**	7,058
Income on letters of placement		**9,352**	-
Profit on bank balances		**294,985**	160,415
Income from Margin Trading System (MTS)		**123,138**	30,904
(Loss) / gain on sale of investments - net		**(342)**	7,930
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	**1**	81
		(341)	8,011
Total income		**506,389**	248,514
EXPENSES			
Remuneration of NBP Fund Management Limited - the Management Company	9.1	**9,111**	4,622
Sindh Sales Tax on remuneration of Management Company	9.2	**1,184**	601
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1	**4,555**	1,354
Sindh Sales Tax on remuneration of the Trustee	10.2	**592**	176
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	**1,215**	361
Allocated expenses	9.4	**7,164**	1,806
Selling and marketing expenses	9.5	**39,817**	8,908
Settlement and bank charges		**14,890**	3,752
Annual listing fee		**28**	28
Auditors' remuneration	16	**758**	616
Legal and professional charges		**253**	106
Annual rating fee		**554**	503
Printing and other charges		**119**	95
Total operating expenses		**80,240**	22,928
Net income from operating activities		**426,149**	225,586
Provision against Sindh Workers' Welfare Fund	12.1	**(8,524)**	(4,512)
Net income for the year before taxation		**417,625**	221,074
Taxation	17	**-**	-
Net income for the year after taxation		**417,625**	221,074
Earnings per unit	18		
Allocation of net income for the year:			
Net income for the year after taxation		**417,625**	221,074
Income already paid on units redeemed		**(163,213)**	(132,907)
		254,412	88,167
Accounting income available for distribution:			
- Relating to capital gains		**-**	2,037
- Excluding capital gains		**254,412**	86,130
		254,412	88,167

The annexed notes 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 income for the year after taxation	**417,625**	221,074
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**417,625**	221,074

The annexed notes 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 income	Total	Capital value	Undistributed income	Total
	----- (Rupees in 000) -----					
Net assets at the beginning of the year	**2,913,724**	**14,187**	**2,927,911**	534,778	10,254	545,032
Issuance of 1,608,753,183 units (2020: 790,002,217 units)						
- Capital value (at ex - net asset value per unit)	**16,371,477**	**-**	**16,371,477**	8,028,714	-	8,028,714
- Element of income	**259,452**	**-**	**259,452**	663,147	-	663,147
Total proceeds on issuance of units	**16,630,929**	**-**	**16,630,929**	8,691,861	-	8,691,861
Redemption of 1,377,505,608 units (2020: 555,919,009 units)						
- Capital value (at ex - net asset value per unit)	**(14,018,186)**	**-**	**(14,018,186)**	(5,649,749)	-	(5,649,749)
- Element of loss	**(148,881)**	**(163,213)**	**(312,094)**	(437,743)	(132,907)	(570,650)
Total payments on redemption of units	**(14,167,067)**	**(163,213)**	**(14,330,280)**	(6,087,492)	(132,907)	(6,220,399)
Total comprehensive income for the year	**-**	**417,625**	**417,625**	-	221,074	221,074
Distribution during the year						
For the year ended June 30, 2020: Rs. 1.3002 per unit declared on June 26, 2020	**-**	**-**	**-**	(225,423)	(84,234)	(309,657)
For the period ended December 23, 2020: Rs. 0.3620 per unit declared on December 24, 2020	**(67,711)**	**(105,075)**	**(172,786)**	-	-	-
For the year ended June 30, 2021: Rs. 0.3461 per unit declared on June 25, 2021	**(42,108)**	**(143,969)**	**(186,077)**	-	-	-
Total distribution during the year	**(109,819)**	**(249,044)**	**(358,863)**	(225,423)	(84,234)	(309,657)
Net assets at the end of the year	**5,267,767**	**19,555**	**5,287,322**	2,913,724	14,187	2,927,911
Undistributed income brought forward						
- Realised income		**14,106**			10,261	
- Unrealised income / (loss)		**81**			(7)	
		14,187			10,254	
Accounting income available for distribution:						
- Relating to capital gains		**-**			2,037	
- Excluding capital gains		**254,412**			86,130	
		254,412			88,167	
Distribution during the year		**(249,044)**			(84,234)	
Undistributed income carried forward		**19,555**			14,187	
Undistributed income carried forward						
- Realised income		**19,554**			14,106	
- Unrealised income		**1**			81	
		19,555			14,187	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			**10.1765**			10.1629
Net asset value per unit at the end of the year			**10.1883**			10.1765

The annexed notes 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		**417,625**	221,074
Adjustments:			
Profit on bank balances		**(294,985)**	(160,415)
Income on term deposit receipts		**(15,222)**	(7,058)
Income from Margin Trading System		**(123,138)**	(30,904)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	**(1)**	(81)
		(15,721)	22,616
Increase in assets			
Investments - net		**30,001**	59,791
Receivable against Margin Trading System		**(675,654)**	(337,721)
Deposits and prepayments		**(26)**	(24)
		(645,679)	(277,954)
Increase in liabilities			
Payable to NBP Fund Management Limited - the Management Company		**15,144**	3,930
Payable to Central Depository Company of Pakistan Limited - the Trustee		**351**	163
Payable to the Securities and Exchange Commission of Pakistan		**854**	34
Payable against redemption of units		**-**	-
Accrued expenses and other liabilities		**18,804**	24,808
		35,153	28,935
Profit received on term deposit receipts		**16,111**	6,241
Profit received on bank balances		**284,237**	153,867
Profit received on Margin Trading System		**122,129**	28,473
Net cash used in operating activities		**(203,770)**	(37,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of element		**16,590,151**	8,362,771
Net payments against redemption of units		**(14,338,620)**	(6,206,508)
Distributions pay-out		**(249,044)**	(84,234)
Net cash generated from financing activities		**2,002,487**	2,072,029
Net increase in cash and cash equivalents during the year		**1,798,717**	2,034,207
Cash and cash equivalents at the beginning of the year		**2,499,854**	465,647
Cash and cash equivalents at the end of the year	21	**4,298,571**	2,499,854

The annexed notes 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

NBP Mahana Amdani Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 9, 2009, in accordance with the Non-Banking and Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company by the SECP 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 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 'income scheme' pursuant to the provisions contained in Circular 7 of 2009.

The objectives of the fund are to minimise risk, preserve capital and to provide reasonable return to investors along with a high degree of liquidity from a portfolio primarily constituting of bank deposits and money market investments.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at June 23, 2021 (2020: AM1) to the Management Company. 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 "AA-(f)" to the Fund dated April 16, 2021 (2020: "AA-(f)" dated April 17, 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

- 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 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, 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 financials statements.

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

There are certain standards, interpretations and amendments that are mandatory for the Fund's accounting periods 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, therefore, have not been 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.

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 3.2 and 5), provision for Federal Excise Duty (note 9.3), provision for SWWF (note 12.1) and provision for taxation (note 3.12 and 17).

2.5 **Accounting convention**

These financial statements have been prepared under the historical cost convention, except for investments that have been measured 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 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 are set out below. These policies have been applied consistently to all the years 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 and subsequent measurement

Debt instruments

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

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

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 FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.3 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 a loss allowance 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 forecast 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. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

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.

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 Issuance 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 at 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 applications during business hours of that day. The redemption price is equal to NAV as at 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 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 asset 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 is 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 Income Statement in the year in which these arise.

- Profit on savings accounts with banks, income on commercial papers, letters of placement and term deposit receipts are recognised on on an accrued basis.

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 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of 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 amongst 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 of the Income Tax Ordinance, 2001.

3.13 Earnings / (loss) per unit

Earnings / (loss) 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.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani 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.

4 BANK BALANCES

	Note	2021	2020
		--------- Rupees in '000 ---------	
Balances with banks in:			
Savings accounts	4.1	5,958	5,449
Current accounts		4,272,668	2,294,987
		4,278,626	2,300,436

4.1 These include a balance of Rs 1.75 million (2020: Rs 1.75 million) maintained with National Bank of Pakistan (a related party).

4.2 These include balances amounting to Rs 16.458 million, Rs 13.269 million and Rs 493.624 million (2020: Rs 0.839 million and Rs 7.302 million respectively) maintained with BankIslami Pakistan Limited, National Bank of Pakistan and Khushhali Bank Limited (related parties) respectively, that carry profit at the rates 7%, 4.5% and 8.5% per annum respectively (2020: 7%, 4.5% and 6.5% per annum). Other savings accounts of the Fund carry profits at the rates ranging from 5.51% to 9% per annum (2020: 6.5% to 15.5% per annum).

5 INVESTMENTS

	Note	2021	2020
		--------- Rupees in '000 ---------	
At fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	19,945	199,418
Term deposit receipts	5.2	-	30,000
Commercial papers	5.3	-	-
Letters of placement	5.4	-	-
		19,945	229,418

5.1 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value: As at July 1, 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	Unrealised appreciation	Market value as a percentage of total investments	Market value as a percentage of net assets
		(Rupees in '000)						(%)	
August 29, 2019	12	-	500,000	500,000	-	-	-	-	-
September 12, 2019	12	-	300,000	300,000	-	-	-	-	-
October 10, 2019	12	-	500,000	500,000	-	-	-	-	-
November 7, 2019	12	-	450,000	450,000	-	-	-	-	-
December 5, 2019	12	-	500,000	500,000	-	-	-	-	-
December 19, 2019	12	-	249,800	249,800	-	-	-	-	-
April 23, 2020	3	200,000	-	200,000	-	-	-	-	-
May 7, 2020	6	-	1,650,000	1,650,000	-	-	-	-	-
July 16, 2020	3	-	75,000	75,000	-	-	-	-	-
July 16, 2020	3	-	75,000	75,000	-	-	-	-	-
August 13, 2020	3	-	1,100,000	1,100,000	-	-	-	-	-
August 27, 2020	3	-	3,750,000	3,750,000	-	-	-	-	-
September 10, 2020	3	-	1,100,000	1,100,000	-	-	-	-	-
September 24, 2020	3	-	200,000	200,000	-	-	-	-	-
October 22, 2020	3	-	400,000	400,000	-	-	-	-	-
November 5, 2020	3	-	832,000	832,000	-	-	-	-	-
November 19, 2020	3	-	450,500	450,500	-	-	-	-	-
March 26, 2020	12	-	90,000	90,000	-	-	-	-	-
December 3, 2020	3	-	2,072,000	2,072,000	-	-	-	-	-
December 31, 2020	3	-	240,000	240,000	-	-	-	-	-
January 14, 2021	3	-	1,026,000	1,026,000	-	-	-	-	-
January 28, 2021	3	-	340,000	340,000	-	-	-	-	-
February 11, 2021	3	-	150,000	150,000	-	-	-	-	-
March 25, 2021	3	-	1,178,000	1,178,000	-	-	-	-	-
April 22, 2021	3	-	250,000	230,000	20,000	19,945	1	100.00%	0.38%
May 20, 2021	3	-	200,000	200,000	-	-	-	-	-
Total		200,000	17,678,300	17,858,300	20,000	19,945	1		
Carrying value as at June 30, 2021						19,944			
Market value as at June 30, 2020						199,418			
Carrying value as at June 30, 2020						199,337			

5.1.1 This carries purchase yield of 7.16% (2020: 7.99%) and are due to mature on July 15, 2021.

5.1.2 Investments in Market Treasury Bills with market value of Rs 19.945 million (2020: Rs 199.418 million) have been pledged with National Clearing Company of Pakistan Limited as collateral against margin in accordance with Circular 11 of 2007 by the SECP.

5.2 Term deposit receipts

Investee Company	Rating of investee company	Placement date	Profit rate	As at July 1, 2020	Placed during the year	Matured during the year	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					Percentage	
COMMERCIAL BANKS										
Mobilink Microfinance Bank Limited	A, PACRA	October 22, 2019	15.60%	30,000	-	30,000	-	-	-	-
Soneri Bank Limited	AA-, PACRA	November 11, 2020	7.40%	-	700,000	700,000	-	-	-	-
Soneri Bank Limited	AA-, PACRA	December 3, 2020	7.40%	-	40,000	40,000	-	-	-	-
Total as at June 30, 2021							-	-		
Total as at June 30, 2020							30,000	30,000		

5.3 Commercial papers

Name of security	Security rating	Number of certificates				As at June 30, 2021			Market value as a percentage of	
		As at July 1, 2020	Purchased during the year	Matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)	total investments	net assets
						---- (Rupees in '000) ----			---- (%) ----	
POWER GENERATION AND DISTRIBUTION										
K-Electric Limited CP 10	A-1+, VIS	-	196,000	196,000	-	-	-	-	-	-
K-Electric Limited CP 11	A-1+, VIS	-	149,000	149,000	-	-	-	-	-	-
Total as at June 30, 2021							-	-		
Total as at June 30, 2020							-	-		

5.4 Letters of placement

Investee Company	Rating of investee company	Maturity date	As at July 1, 2020	Amount placed		As at June 30, 2021	As at June 30, 2021		Market value as a percentage of	
				Purchased during the year	Matured during the year		Carrying value	Market value	Total investments	Net assets
							---- (Rupees in '000) ----		---- (%) ----	
DEVELOPMENT FINANCE INSTITUTION										
Pak Kuwait Investment Company Limited	CGR-9, VIS	August 27, 2020	-	300,000	300,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	CGR-9, VIS	September 25, 2020	-	301,726	301,726	-	-	-	-	-
Pak Kuwait Investment Company Limited	CGR-9, VIS	May 17, 2021	-	300,000	300,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	CGR-9, VIS	May 31, 2021	-	625,000	625,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	CGR-9, VIS	June 15, 2021	-	670,000	670,000	-	-	-	-	-
Total as at June 30, 2021							-	-	-	-
Total as at June 30, 2020							-	-	-	-

		Note	2021	2020
			----(Rupees in '000)----	
5.5	**Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**			
	Market value of investments	5.1, 5.2, 5.3 & 5.4	19,945	229,418
	Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	(19,944)	(229,337)
			1	81
6	**RECEIVABLE AGAINST MARGIN TRADING SYSTEM (MTS)**			
	Receivable against MTS	6.1	1,013,394	337,740

6.1 This carries average profit rate of 9.45% per annum (2020: 10.05% per annum).

		Note	2021	2020
			----(Rupees in '000)----	
7	**PROFIT RECEIVABLE**			
	Profit receivable on:			
	- Savings accounts		22,852	12,104
	- Margin trading system		3,440	2,431
	- Term deposit receipts		-	889
			26,292	15,424

		Note	2021	2020
			-------------(Rupees in '000)------------	
8	**DEPOSITS AND PREPAYMENTS**			
	Prepaid rating fee		290	264
	Deposit with Central Depository Company of Pakistan Limited*		100	100
	Deposit with National Clearing Company of Pakistan Limited*		250	250
			640	614

*related party balances

		Note	2021	2020
9	**PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY**			
	Remuneration payable to the Management Company	9.1	797	352
	Sindh Sales Tax on remuneration of the Management Company	9.2	103	45
	Federal Excise Duty on remuneration of the Management Company	9.3	10,620	10,620
	Provision for Federal Excise Duty on sales load	9.3	292	292
	Allocated expenses payable	9.4	1,990	636
	Selling and marketing expenses payable	9.5	11,146	2,546
	Sales and transfer load payable		5,488	1,743
	Sindh Sales Tax on sales load		713	227
	ADC charges payable including Sindh sales tax		456	-
	Others		288	288
			31,893	16,749

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:

2021	2020			
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 November 26, 2019**	**Rate applicable from November 27, 2019 to December 12, 2019**	**Rate applicable from December 13, 2019 to June 30, 2020**
1% of net income of the Fund subject to floor and capping of 0.15% and 1% 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	6% of net income of the Fund subject to floor and capping of 0.5% and 1.5% per annum of average annual net assets	3% of net income of the Fund subject to floor and capping of 0.4% and 1% per annum of average annual net assets	1% of net income of the Fund subject to floor and capping of 0.15% and 1% 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 1.184 million (2020: Rs 0.601 million) was charged on account of sales tax on management remuneration levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%)

9.3 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 was 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 Sindh High Court (SHC) 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, the SHC 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 Supreme Court of Pakistan 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 with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 10.912 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2021 would have been higher by Re 0.021 per unit (2020: Re 0.038 per unit).

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

Accordingly, the Management Company based on its 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

9.5 The SECP had 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 has 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 July 1, 2020 to September 13, 2020	Rate applicable from September 14, 2020 to June 30, 2021	Rate applicable from July 1, 2019 to July 11, 2019	Rate applicable from July 12, 2019 to January 19, 2020	Rate applicable from January 20, 2020 till June 30, 2020
0.4% per annum of average daily net assets	0.7% per annum of average daily net assets	0.4% per annum of average daily net assets	0.7% per annum of average daily net assets	0.4% per annum of average daily net assets

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE

	Note	2021	2020
		------------ Rupees in '000	-----------
Remuneration payable to the Trustee	10.1	397	175
Sindh Sales Tax payable on Trustee remuneration	10.2	52	23
Settlement charges payable		151	51
		600	249

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Accordingly, the Fund has charged the Trustee fee at the rate of 0.075% per annum of the average annual net assets during the year (2020: 0.075% per annum).

10.2 During the year, an amount of Rs 0.592 million (2020: Rs 0.176 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%).

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2021	2020
			------------ Rupees in '000	-----------
	Annual fee payable	11.1	1,215	361

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.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021	2020
			------------ Rupees in '000	-----------
	Provision against Sindh Workers' Welfare Fund	12.1	15,169	6,645
	Auditors' remuneration		528	456
	Printing charges payable		60	50
	Bank charges payable		16	145
	Withholding tax payable		27,037	17,683
	Capital gains tax payable		4,015	2,529
	Legal and professional charges payable		85	85
	Laga and levy charges payable		-	513
	Others		1,005	1,005
			47,915	29,111

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 in May 2015 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, was 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 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 the 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 had 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, the MUFAP 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 SWWF Act, 2014 (i.e. starting from May 21, 2015).

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 of the Fund 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. 0.029 per unit (2020: Re. 0.023 per unit).

13 CONTINGENCIES AND COMMITMENTS

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

14 NUMBER OF UNITS IN ISSUE

	2021	2020
	(Number of units)	
Total units in issue at the beginning of the year	287,712,816	53,629,608
Add: units issued during the year	1,608,753,183	790,002,217
Less: units redeemed during the year	(1,377,505,608)	(555,919,009)
Total units in issue at the end of the year	518,960,391	287,712,816

15 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.

16 AUDITORS' REMUNERATION

	2021	2020
	-------------(Rupees in '000)------------	
Annual audit fee	372	372
Fee for half yearly review	149	147
Income certification	100	50
Out of pocket expenses and others including government levy	137	47
	758	616

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 the manner as explained above, 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 in these financial statements as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2021 is 1.46% (2020: 1.52%) which includes 0.19% (2020: 0.31%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. The TER excluding government levies is 1.27% (2020: 1.21%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

20.1 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), 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.

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

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

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

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

20.6 **Details of transactions with related parties / connected persons are as follows:**

	2021	2020
	--------- Rupees in '000 ---------	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	9,111	4,622
Sindh Sales Tax on remuneration of the Management Company	1,184	601
Sales load paid	44,231	14,490
Sindh Sales Tax on sales load paid	5,750	1,884
Allocated expenses	7,164	1,806
Selling and marketing expenses	39,817	8,908
ADC charges including Sindh sales tax	1,274	-
Dividend reinvestment units: Nil units (2020: 100,415 units)	-	1,021
Units issued: 47,489,425 units (2020: 25,102,103 units)	492,022	270,253
Units redeemed: 59,814,143 units (2020: 12,877,800 units)	619,803	147,000
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	4,555	1,354
Sindh Sales Tax on remuneration of the Trustee	592	176
Settlement charges	2,436	578
Employees of the Management Company		
Dividend reinvestment units: 55,463 units (2020: 18,110 units)	565	184
Units issued: 36,452,675 units (2020: 9,432,787 units)	376,589	102,644
Units redeemed: 36,853,051 units (2020: 6,994,480 units)	383,414	78,420
Portfolio managed by the Management Company		
Dividend reinvest units issued: 9,604 units (2020: Nil units)	98	-
Units issued - 40,598,533 (2020: Nil units)	421,301	-
Units redeemed - 40,608,136 units (2020: Nil units)	424,035	-
Purchase of Market Treasury Bills	-	278,477
Sale of Market Treasury Bills	4,847	-
NBP Government Securities Saving Fund		
Purchase of Market Treasury Bills	-	82,978

	2021	2020
	--------- Rupees in '000 ---------	
Hub Power Company Limited - common directorship		
Purchase of commercial papers	-	246,000
BankIslami Pakistan Limited - common directorship		
Profit on bank balance	455	278
Khushhali Bank Limited - common directorship*		
Profit on bank balance	39,895	-
National Bank of Pakistan - parent company		
Profit on bank balance	340	305
Dr Amjad Waheed - chief executive officer		
Dividend reinvestment units: 3 units (2020: Nil units)	-	-
Units issued: 75 units (2020: 83,842 units)	1	900
Units redeemed: Nil units (2020: 83,842 units)	-	908
Muhammad Murtaza Ali - Company Secretary / COO		
Dividend reinvestment units: 2,309 units (2020: Nil units)	24	-
Units issued: 105,045 units (2020: 172,012 units)	1,070	1,750
Units redeemed: 174,321 units (2020: Nil units)	1,818	-
Ali Saigol - Director		
Dividend reinvestment units: 61 units (2020: 43 units)	1	-
Units issued: Nil units (2020: 973 units)	-	10
Fauji Fertilizers Company Limited - common directorship		
Units issued: 74,563,914 units (2020: 57,224,762 units)	760,000	619,959
Units redeemed: 74,563,914 units (2020: 57,224,762 units)	784,002	634,116
Pakistan Stock Exchange Limited - common directorship		
Listing fee paid	25	25
National Clearing Company of Pakistan Limited - common directorship		
Fee paid	250	250
NBP Income Opportunity Fund		
Purchase of commercial papers	-	199,529
Purchase of Market Treasury Bills	149,740	-
NBP Money Market Fund		
Purchase of Market Treasury Bills	1,268,564	-
Sale of Market Treasury Bills	149,708	-

20.7 Amounts / balances outstanding as at year end:

	2021	2020
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	797	352
Sindh Sales Tax on remuneration of the Management Company	103	45
Federal Excise Duty on remuneration of the Management Company	10,620	10,620
Federal Excise Duty on sales load	292	292
Allocated expenses payable	1,990	636
Selling and marketing expenses payable	11,146	2,546
Sales and transfer load payable	5,488	1,743
Sindh Sales Tax on sales load	713	227
ADC charges payable including Sindh sales tax	456	-
Others	288	288
Units held: Nil units (2020: 12,324,718 units)	-	125,422

	2021	2020
	--------- Rupees in '000 ---------	
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	397	175
Sindh sales tax payable on Trustee remuneration	52	23
Security deposit	100	100
Settlement charges payable	151	51
National Bank of Pakistan - parent company		
Current account	1,751	1,751
Savings accounts	13,269	7,302
Profit receivable on bank balance	66	10
Khushhali Bank Limited - common directorship*		
Bank balances	493,624	-
Profit receivable on bank balance	3,471	-
National Clearing Company of Pakistan Limited - common directorship		
Security deposit	250	250
Employees of the Management Company		
Units held: 1,850,493 units (2019: 2,495,660 units)	18,853	25,397
BankIslami Pakistan Limited - common directorship		
Bank balances	16,458	839
Profit receivable on bank balance	21	5
Dr Amjad Waheed - chief executive officer		
Units held: 78 units (2020: Nil units)	1	-
Muhammad Murtaza Ali - Company Secretary / COO		
Units held: 105,045 units (2020: 172,012 units)	1,070	1,750
Ali Saigol - Director		
Units held: 1,077 units (2020: 1,016 units)	11	10

* Prior period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2020.

21 CASH AND CASH EQUIVALENTS

	Note	2021	2020
		---------(Rupees in '000)---------	
Bank balances	4	4,278,626	2,300,436
Government securities:			
- Market Treasury Bills (original maturity of 3 months or less)	5.1	19,945	199,418
		4,298,571	2,499,854

22 FINANCIAL INSTRUMENTS BY CATEGORY

	2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	4,278,626	-	4,278,626
Investments	-	19,945	19,945
Receivable against Margin Trading System (MTS)	1,013,394	-	1,013,394
Profit receivable	26,292	-	26,292
Deposits	350	-	350
Receivable against issuance of units	35,599	-	35,599
	5,354,261	19,945	5,374,206

	2021		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	31,893	31,893
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	600	600
Payable against redemption of units	-	5,551	5,551
Accrued expenses and other liabilities	-	1,694	1,694
	-	39,738	39,738

	2020		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	2,300,436	-	2,300,436
Investments	-	229,418	229,418
Receivable against Margin Trading System (MTS)	337,740	-	337,740
Profit receivable	15,424	-	15,424
Deposits	350	-	350
Receivable against issuance of units	104,640	-	104,640
	2,758,590	229,418	2,988,008

	2020		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	16,749	16,749
Payable to the Central Depository Company of Pakistan Limited - the Trustee	-	249	249
Payable against redemption of units	-	13,891	13,891
Accrued expenses and other liabilities	-	2,254	2,254
	-	33,143	33,143

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. 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, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of 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.

23.1 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 the 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 and regulations laid down by the SECP.

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

23.1.1 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. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

23.1.2 Profit rate risk

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 interest rates. As of June 30, 2020, the Fund is exposed to such risk on its balances held with banks, investments in term deposit receipts and Market Treasury Bills. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in savings accounts on which interest rate range between 5.51% to 9% per annum. A reasonably possible change of 100 basis points in interest rates on the last repricing date would have increased / decreased the net income for the year and the net assets of the Fund by Rs 42.727 million (2020: 22.950 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

The Fund's fixed rate risk arises from investment in Market Treasury Bill. In case of 100 basis points increase / decrease in rates on June 30, 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 0.199 million (2020: Rs 2.294 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.

Profit 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 financial instruments is based on the settlement 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 profit rate risk			Not exposed to profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		---------- (Rupees in '000) ----------				
On balance sheet financial instruments						
Financial assets						
Bank balances	4.5% - 9%	4,272,668	-	-	5,958	4,278,626
Investments	7.16%	19,945	-	-	-	19,945
Receivable against Margin Trading System		1,013,394	-	-	-	1,013,394
Profit receivable		-	-	-	26,292	26,292
Deposits		-	-	-	350	350
Receivable against issuance of units		-	-	-	35,599	35,599
		5,306,007	-	-	68,199	5,374,206
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	31,893	31,893
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	600	600
Payable against redemption of units		-	-	-	5,551	5,551
Accrued expenses and other liabilities		-	-	-	1,694	1,694
		-	-	-	39,738	39,738
On-balance sheet gap		5,306,007	-	-	28,461	5,334,468
Total interest rate sensitivity gap		5,306,007	-	-	28,461	5,334,468
Cumulative interest rate sensitivity gap		5,306,007	5,306,007	5,306,007		

	2020					
	Effective profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
		---------- (Rupees in '000) ----------				
On balance sheet financial instruments						
Financial assets						
Bank balances	4.5% - 15.50%	2,294,987	-	-	5,449	2,300,436
Investments	8.10% - 15.60%	199,418	30,000	-	-	229,418
Receivable against Margin Trading System		337,740	-	-	-	337,740
Profit receivable		-	-	-	15,424	15,424
Deposits		-	-	-	350	350
Receivable against issuance of units		-	-	-	104,640	104,640
		2,832,145	30,000	-	125,863	2,988,008
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	16,749	16,749
Payable to the Central Depository Company of Pakistan Limited - the Trustee		-	-	-	249	249
Payable against redemption of units		-	-	-	13,891	13,891
Accrued expenses and other liabilities		-	-	-	2,254	2,254
		-	-	-	33,143	33,143
On-balance sheet gap		2,832,145	30,000	-	92,720	2,954,865
Total interest rate sensitivity gap		2,832,145	30,000	-	92,720	2,954,865
Cumulative interest rate sensitivity gap		2,832,145	2,862,145	2,862,145		

23.1.3 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not have any financial instruments which are subject to price risk.

23.2 Credit risk

23.2.1 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	4,278,626	4,278,626	2,300,436	2,300,436
Investments	19,945	-	229,418	30,000
Receivable against Margin Trading System	1,013,394	-	337,740	-
Profit receivable	26,292	26,292	15,424	15,424
Deposits	350	350	350	350
Receivable against issuance of units	35,599	35,599	104,640	104,640
	5,374,206	4,340,867	2,988,008	2,450,850

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 margin trading system, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

23.2.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up accrued thereon and investments in term deposit receipts and commercial papers. The credit rating profile of balances with banks and investment in debt securities is as follows:

Rating	% of financial assets exposed to credit risk	
	2021	2020
Bank balances and accrued profit		
AAA	1.73%	4.99%
AA+	65.97%	0.89%
AA-	0.45%	48.46%
AA	-	0.01%
A+	17.34%	12.44%
A	13.57%	10.48%
BBB-	0.11%	0.12%
Term deposit receipt		
A	-	1.03%
	99.17%	78.43%

23.3 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 cash redemptions at the option of the 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, 2008, 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. 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 date. 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	31,893	-	-	-	-	-	31,893
Payable to the Central Depository Company of Pakistan Limited - the Trustee	600	-	-	-	-	-	600
Payable against redemption of units	5,551	-	-	-	-	-	5,551
Accrued expenses and other liabilities	1,694	-	-	-	-	-	1,694
	39,738	-	-	-	-	-	39,738

	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 - the Management Company	16,749	-	-	-	-	-	16,749
Payable to the Central Depository Company of Pakistan Limited - the Trustee	249	-	-	-	-	-	249
Payable against redemption of units	13,891	-	-	-	-	-	13,891
Accrued expenses and other liabilities	2,254	-	-	-	-	-	2,254
	33,143	-	-	-	-	-	33,143

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

24.1 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 values:

	2021			
	Level 1	Level 2	Level 3	Total
ASSETS	Rupees in '000			
Financial assets - at fair value through profit or loss				
Government securities - Market Treasury Bills	-	19,945	-	19,945

	2020			
	Level 1	Level 2	Level 3	Total
ASSETS	Rupees in '000			
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills	-	199,418	-	199,418
Term deposit receipt*	-	30,000	-	30,000
	-	229,418	-	229,418

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

25 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. They 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 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 23, 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.

26 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	6,223	5,125,721	96.94%	2,941	2,756,833	94.16%
Associated companies and directors*	2	12	-	2	125,432	4.28%
Retirement funds	7	31,168	0.59%	7	31,168	1.07%
Public Limited Companies*	1	-	-	-	-	-
Others	32	130,421	2.47%	18	14,478	0.49%
	6,265	5,287,322	100.00%	2,968	2,927,911	100.00%

*Nil figures due to rounding off

27 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Bright Capital (Private) Limited	4.63%	Bright Capital (Private) Limited	86.05%
Invest One Market Limited	19.60%	Invest One Market Limited	13.95%
Paramount Capital (Private) Limited	30.29%		
Icon Capital Management (Private) Limited	28.06%		
Arif Habib Securities Limited	5.88%		
Continental Exchange (Private) Limited	11.54%		

27.1 The Fund has traded with only the above mentioned 6 brokers during the year ended June 30, 2021 (2020: 2 brokers).

28 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience in years
Dr. Amjad Waheed	Chief Executive Officer	Doctorate in Business Administration / MBA / CFA	33
Sajjad Anwar	Chief Investment Officer	CFA / MBA	21
Asim Wahab Khan	Deputy Chief Investment Officer	CFA	15
Muhammad Ali Bhabha (note 28.1)	Head of Fixed Income	CFA / MBA / FRM / MS	26
Hassan Raza	Head of Research	ACCA / BSC / CFA	10

28.1 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 Mahana Amdani Fund
- NBP Islamic Money Market Fund
- NBP Islamic Savings Fund
- NBP Islamic Daily Dividend Fund
- NBP Money Market Fund
- NBP Riba Free Savings Fund
- NBP Stock Fund
- NBP Islamic Income Fund

29 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 29.1]	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 29.2]	2	2	-	-

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

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

30 GENERAL

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

31 DATE OF AUTHORISATION FOR ISSUE

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

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 at the year / period ended (Rs '000)	5,287,322	2,927,911	545,032	495,769	441,250	522,797
Net income for the year / period ended (Rs '000)	417,625	221,074	37,845	25,142	26,437	15,377
Net Asset Value per unit at the year / period ended (Rs)	10.1883	10.1765	10.1629	10.6940	10.4115	10.1194
Offer Price per unit at year end	10.3034	10.2915	10.2203	10.7544	10.1988	10.1766
Redemption Price per unit at year end	10.1883	10.1765	10.1629	10.6940	10.1415	10.1194
Ex - Highest offer price per unit (Rs.)	10.3034	10.2915	10.2203	10.7544	10.1988	10.8068
Ex - Lowest offer price per unit (Rs.)	9.6133	9.0129	9.3765	10.2004	9.4427	10.1749
Ex - Highest redemption price per unit (Rs.)	10.1883	10.1765	10.1629	10.8152	10.1415	10.7461
Ex - Lowest redemption price per unit (Rs.)	9.5059	9.0129	9.3192	10.1431	9.3822	10.1177
Fiscal Year Opening EX Nav	9.5037	9.0102	9.3144	10.4115	9.3807	10.1148
Total return of the fund	7.20%	12.91%	9.11%	5.40%	8.11%	6.10%
Capital gowth	0.25%	0.11%	0.56%	0.10%	-0.38%	-0.14%
Income distribution as a % of ex nav	6.96%	12.79%	8.55%	5.30%	8.50%	6.24%
Income distribution as a % of par value	7.08%	13.00%	8.67%	5.52%	7.97%	6.31%
Distribution						
Interim distribution per unit	0.3620	1.3002	0.7824		0.7969	0.6313
Final distribution per unit	0.3461		0.0845	0.5519	-	-
Distrubution Dates						
Interim	24-Dec-20	26-Jun-20			19-Jun-17	
Interim						
Interim			29-Aug-18			
Interim			28-Sep-18			
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			
Final	25-Jun-21		24-Jun-19	04-Jul-18		
Average annual return of the fund (launch date Nov 21, 2009)						
(Since inception to June 30, 2021)	8.78%					
(Since inception to June 30, 2020)		8.93%				
(Since inception to June 30, 2019)			8.53%			
(Since inception to June 30, 2018)				8.50%		
(Since inception to June 30, 2017)					8.86%	
(Since inception to June 30, 2016)						9.00%
(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)						
(Since inception to June 30, 2010)						
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	12 Days	9 Days	10 Days	22 Days	27 Days	22 Days

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

Head Office

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

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Fax: 021-35825335

Email: info@nbpfunds.com

Website: www.nbpfunds.com

/nbpfunds

NBP FUNDS
Managing Your Savings

NBP INCOME OPPORTUNITY 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

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

Faysal Bank Limited
Silk Bank Limited
Soneri Bank Limited
The Bank of Punjab
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
Al Baraka Bank Limited
Dubai Islamic Bank Limited
Khushhali Bank Limited
Bankislami Pakistan Limited
NRSP Microfinance Bank Limited
First Microfinance Bank Limited
Mobilink 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, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

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 Sixteenth Annual Report of **NBP Income Opportunity Fund** (NIOF) for the year ended June 30, 2021.

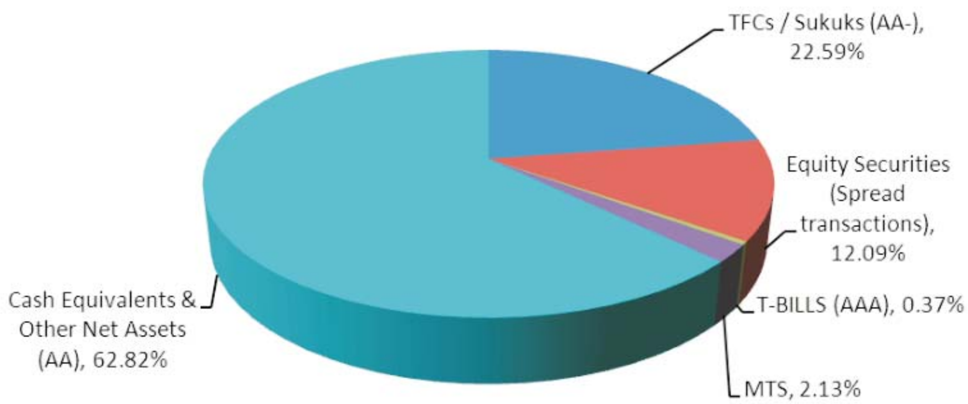
Fund's Performance

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. 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.

NIOF is categorized as an Income Scheme and has been awarded stability rating of A (f) by PACRA. 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.

The size of NBP Income Opportunity Fund has increased from Rs. 4,000 million to Rs. 7,954 million during the period, i.e., a notable growth of 99%. During the said period, the unit price of the Fund has increased from Rs. 9.9858 (Ex-Div) on June 30, 2020 to Rs. 10.7671 on June 30, 2021 thus posting a return of 7.8% as compared to its Benchmark return of 7.4% 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. 659.33 million during the year. After accounting for total expenses of Rs.147.24 million, the net income is Rs. 512.09 million. The asset allocation of NBP Income Opportunity 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 7.70% of the opening ex-NAV (8.29% of the par value) during the year 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 Income Opportunity Fund amounting to Rs. 53.64 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Income Opportunity Fund by 0.56% 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, retired 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 30 to these financial statements.

11. The detailed pattern of unit holding is disclosed in the note 27 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 22 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 انکم اپرچونٹی فنڈ (NIOF) کی سولھویں سالانہ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

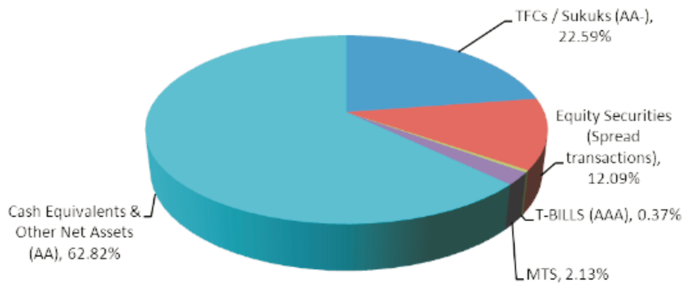
فنڈ کی کارکردگی

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۔ 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۔

NIOF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔
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۔

موجودہ مدت کے دوران NBP انکم اپرچونٹی فنڈ کا سائز 4,000 ملین روپے سے بڑھ کر 7,954 ملین روپے ہوگیا ہے یعنی 99% کی کمی ہوئی۔ زیرِ جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 9.9858 روپے (EX-Div) سے بڑھ کر 30 جون 2021 کو 10.7671 روپے ہوگئی، لہٰذا اس مدت کے دوران فنڈ نے اپنے بنچ مارک 7.4% کے مقابلے میں 7.8% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 659.33 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 147.24 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 512.09 ملین روپے ہے۔
30 جون 2021 کو NIOF 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 7.70% (بنیادی قدر کا 8.29%) 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 انکم اپرچونٹی فنڈ میں ریکارڈ کی گئی 53.64 ملین روپے ورکرز ویلفیئر فنڈ کی پروویژننگ کو 13 اگست 2021 ریورس کر دیا گیا۔ پرووژن کی اس ریورسل کے باعث NBP انکم اپرچونٹی فنڈ کی NAV میں 0.56% کا غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

آڈیٹرز

موجودہ آڈیٹرز،میسرزA.F 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 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 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 30 میں ظاہر کی گئی ہے۔
- 11 یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 27 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 22 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

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 Income Opportunity 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 Income Opportunity Fund

NBP Income Opportunity Fund (NIOF) is an Open-End Income Scheme.

Investment Objective of the Fund

The objective of NIOF is to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in money market & debt securities having good credit rating and liquidity.

Benchmark

6 Month - KIBOR.

Fund Performance Review

This is the Sixteenth Annual report since the launch of the Fund on April 21, 2006. The Fund size notably increased by 99% during FY21 and stands at Rs. 7,954 million as of June 30, 2021. The Fund's return since its inception is 8.4% p.a. versus the benchmark return of 10.0% p.a. During FY21, the Fund posted a return of 7.8% as compared to the benchmark return of 7.4%. The return of the Fund is net of management fee and all other expenses.

The Yield to Maturity of the Fund at year-end FY21 is around 8.4% while that of the TFC portfolio is 9.8%. The yield does not include potential recovery in fully provided TFCs (Face Value of around Rs 867 million), which is a potential upside for the Fund. The Fund's TFC portfolio allocation is fairly diversified with exposure to Banking, Financial Service, Textile Composite, Sugar & Allied Industries and Power Generation & Distribution sectors.

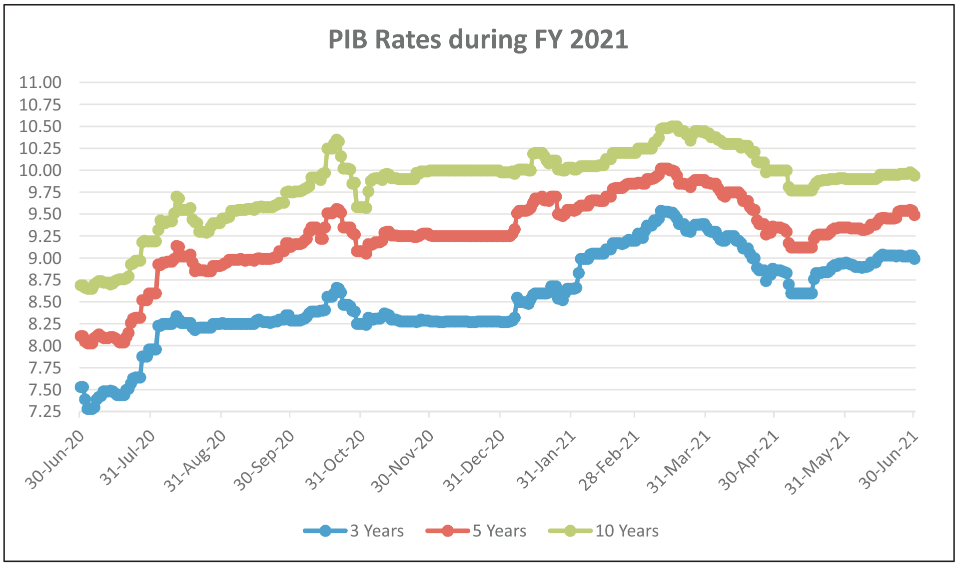
The trading activity in corporate debt securities remained subdued as the cumulative traded value stood at Rs. 21.8 billion. However, market witnessed fresh issuance of TFCs and Sukuks in the Power & Distribution and Banking sectors.

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 Fund (% of NAV)

Particulars	30-Jun-21	30-Jun-20
TFCs/Sukuks	22.59%	45.17%
PIBs	-	11.13%
T-Bills	0.37%	4.91%
Commercial Paper	-	2.99%
Placements with Banks	-	6.75%
Margin Trading System (MTS)	2.13%	1.64%
Equity Securities (Spread Transactions)	12.09%	-
Cash (Cash Equivalents) & Other Assets	62.82%	27.41%
Total	**100.00%**	**100.00%**

PIB yields during the year are shown in the below graph:



Distribution for the Financial Year 2021

Interim Period/Quarter	Dividend as % of Par Value (Rs.10)	Cumulative Div. Price/Unit	Ex- Div. Price
Interim	8.29%	11.5835	10.7550

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
New Allied Electronics Limited (PP)	TFC	31,706,536	31,706,536	-	-	-
AgriTech Limited V	TFC	32,320,000	32,320,000	-	-	-
Azgard Nine Limited V (PPTFC Markup)	Fixed Rate TFCs	82,180,000	82,180,000	-	-	-
Eden House Limited	Sukkuk	9,056,250	9,056,250	-	-	-
Azgard Nine Limited III (PP)	TFC	103,593,730	103,593,730	-	-	-
Worldcall	TFC	74,976,975	74,976,975	-	-	-
New Allied Electronics Limited II	Sukkuk	44,148,934	44,148,934	-	-	-
Dewan Cement Limited (Pre-IPO)	Pre IPO TFC	150,000,000	150,000,000	-	-	-
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	-	-
Saudi Pak Leasing Company Limited	TFC	41,321,115	41,321,115	-	-	-
AgriTech Limited I	TFC	149,860,200	149,860,200	-	-	-
Azgard Nine Limited (Non-Voting Ordinary Shares)	Equity	12,854	12,854	-	-	-
Total		**868,996,594**	**868,996,594**	**-**	**-**	**-**

Unit Holding Pattern of NBP Income Opportunity Fund as on June 30, 2021

Size of Unit Holding (Units)	# of Unit Holders
1-1000	1815
1001-5000	468
5001-10000	265
10001-50000	711
50001-100000	402
100001-500000	496
500001-1000000	81
1000001-5000000	70
5000001-10000000	16
10000001-100000000	6
100000000-1000000000	1
Total	**4331**

During the period under question:

There has been no significant change in the state of affairs of the Fund, other than stated above. NBP Income Opportunity 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. 52.133 million. If the same were not made the NAV per unit/FY21 return of scheme would be higher by Rs. 0.0706 / 0.71%. 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 Income Opportunity Fund amounting to Rs. 53.64 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Income Opportunity Fund by 0.56% 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 Income Opportunity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NBP Income Opportunity 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. 5,048.428 million and Rs. 2,822.179 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	5,048,428	1,151,141
Investments	5	2,822,179	2,837,941
Receivable against margin trading system	6	169,506	65,692
Profit receivable	7	48,799	62,815
Receivable against issuance of units		49,272	16,636
Deposits, prepayments and other receivables	8	14,001	11,374
Total assets		8,152,185	4,145,599
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	9	71,517	53,997
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	632	288
Payable to the Securities and Exchange Commission of Pakistan	11	1,400	964
Payable against redemption of units		19,370	1,222
Accrued expenses and other liabilities	12	105,646	88,711
Total liabilities		198,565	145,182
NET ASSETS		7,953,620	4,000,417
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		7,953,620	4,000,417
Contingencies and commitments	13		
		-----------Number of units-----------	
Number of units in issue	14	738,698,845	371,960,210
		------------------Rupees------------------	
Net asset value per unit	16	10.7671	10.7550

The annexed notes from 1 to 33 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 and term deposit receipts		248,711	288,284
Income on term finance certificates and sukuk certificates		174,123	302,400
Income on government securities		67,669	48,947
Income on commercial papers		3,016	40,594
Income on letters of placement		10,628	-
Income from margin trading system		25,337	1,645
Income / (loss) on spread transactions		76,715	(617)
Dividend income on spread transactions		30,691	7,723
Other income	5.5.1	4,806	-
(Loss) / gain on sale of investments		(12,994)	10,842
Unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss' - net	5.13	30,624	(46)
		17,630	10,796
Total income		659,326	699,772
EXPENSES			
Remuneration of NBP Fund Management Limited - the Management Company	9.1	41,385	38,508
Sindh Sales Tax on remuneration of the Management Company	9.2	5,380	5,006
Allocated expense	9.3	8,391	4,820
Selling and marketing expenses	9.4	48,989	33,266
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1	5,249	3,615
Sindh Sales Tax on remuneration of the Trustee	10.2	682	470
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	1,400	964
Securities transaction cost		20,024	1,374
Settlement and bank charges		3,698	1,389
Auditors' remuneration	15	695	688
Legal and professional charges		205	-
Printing charges		140	9
Annual rating fee		523	478
Annual listing fee		28	28
Total expenses		136,789	90,615
Net income from operating activities		522,537	609,157
Provision for Sindh Workers' Welfare Fund	12.1	(10,451)	(12,183)
Net income for the year before taxation		512,086	596,974
Taxation	18	-	-
Net income for the year after taxation		512,086	596,974
Earning per unit	19		
Allocation of net income for the year			
Net income for the year after taxation		512,086	596,974
Income already paid on units redeemed		(138,827)	(169,492)
		373,259	427,482
Accounting income available for distribution:			
- Relating to capital gains		-	8,254
- Excluding capital gains		373,259	419,228
		373,259	427,482

The annexed notes from 1 to 33 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	512,086	596,974
Other comprehensive income	-	-
Total comprehensive income for the year	512,086	596,974

The annexed notes from 1 to 33 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	3,496,668	503,749	4,000,417	4,800,495	495,274	5,295,769
Issue 1,047,353,694 units (2020: 304,146,950 units)						
- Capital value (at ex-net asset value per unit)	11,264,289	-	11,264,289	3,306,998	-	3,306,998
- Element of income	481,661	-	481,661	84,933	-	84,933
Total proceeds on issuance of units	11,745,950	-	11,745,950	3,391,931	-	3,391,931
Redemption of 680,615,059 units (2020: 425,722,673 units)						
- Capital value (at ex-net asset value per unit)	(7,320,015)	-	(7,320,015)	(4,568,132)	-	(4,568,132)
- Element of loss	(251,198)	(138,827)	(390,025)	(84,216)	(169,492)	(253,708)
Total payments on redemption of units	(7,571,213)	(138,827)	(7,710,040)	(4,652,348)	(169,492)	(4,821,840)
Total comprehensive income for the year	-	512,086	512,086	-	596,974	596,974
Distribution for the year ended June 30, 2021 @ Rs. 0.8285 per unit declared on June 28, 2021	(230,276)	(364,517)	(594,793)	-	-	-
Distribution for the year ended June 30, 2020 @ Rs. 1.4057 per unit declared on June 26, 2020	-	-	-	(43,410)	(419,007)	(462,417)
Total distribution during the year	(230,276)	(364,517)	(594,793)	(43,410)	(419,007)	(462,417)
Net assets at end of the year	7,441,129	512,491	7,953,620	3,496,668	503,749	4,000,417
Undistributed income brought forward						
- Realised income		503,795			512,819	
- Unrealised loss		(46)			(17,545)	
		503,749			495,274	
Accounting income available for distribution						
- Relating to capital gain		-			8,254	
- Excluding capital gains		373,259			419,228	
		373,259			427,482	
Total distribution during the year		(364,517)			(419,007)	
Undistributed income carried forward		512,491			503,749	
Undistributed income carried forward						
- Realised income		481,867			503,795	
- Unrealised income / (loss)		30,624			(46)	
		512,491			503,749	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the year			10.7550			10.7303
Net assets value per unit at the end of the year			10.7671			10.7550

The annexed notes from 1 to 33 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		512,086	596,974
Adjustments:			
Profit on bank balances and term deposit receipts		(248,711)	(288,284)
Income on term finance certificates and sukuk certificates		(174,123)	(302,400)
Income on government securities		(67,669)	(48,947)
Income on commercial papers		(3,016)	(40,594)
Income on letters of placement		(10,628)	-
Income from margin trading system		(25,337)	(1,645)
Income on spread transactions		(76,715)	617
Dividend income on spread transactions		(30,691)	(7,723)
Unrealised (appreciation) / diminution on re-measurement of investments 'at fair value through profit or loss' - net	5.13	(30,624)	46
Other income	5.5.1	(4,806)	-
Provision for Sindh Workers' Welfare Fund	12.1	10,451	12,183
		(661,869)	(676,747)
		(149,783)	(79,773)
(Increase) / decrease in assets			
Investments - net		80,917	(33,747)
Receivable against margin trading system		(103,814)	(65,692)
Deposits, prepayments and other receivables		(2,627)	4,736
		(25,524)	(94,703)
Increase / (decrease) in liabilities			
Payable to NBP Fund Management Limited - the Management Company		17,520	(9,712)
Payable to Central Depository Company of Pakistan Limited - the Trustee		344	(231)
Payable to the Securities and Exchange Commission of Pakistan		436	(3,343)
Accrued expenses and other liabilities		6,484	19,599
		24,784	6,313
Income received on bank balances, term deposit receipts, term finance certificates, letters of placement, commercial papers, sukuk certificates, government securities, margin trading system and spread transactions		620,215	673,004
Dividend received on spread transactions		30,691	7,723
Net cash generated from operating activities		500,383	512,564
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units - net of refund of element		11,483,038	3,331,887
Net payments against redemption of units		(7,691,892)	(4,822,152)
Distributions paid		(364,517)	(419,007)
Net cash generated from / (used in) financing activities		3,426,629	(1,909,272)
Net increase / (decrease) in cash and cash equivalents during the year		3,927,012	(1,396,708)
Cash and cash equivalents at the beginning of the year		1,151,141	2,547,849
Cash and cash equivalents at the end of the year	17	5,078,153	1,151,141

The annexed notes from 1 to 33 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 Income Opportunity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 11, 2006 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

1.3 The Fund has been categorised as an open ended '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 are being offered for public subscription on a continuous basis from February 11, 2006 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to seek maximum preservation of capital and a reasonable rate of return by investing in money market and debt securities having good credit rating and liquidity. Other avenues of investments include ready future arbitrage in listed securities and transactions under margin trading system.

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, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at "A(f)" (2020: "A(f)" on April 17, 2020) dated 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 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 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.

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 SWWF (note 12.1), provision for FED (note 9.5) and provision for taxation (notes 3.13 and 18).

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 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 Rupee, 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

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 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.

3.3.4 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 based on the 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.

3.3.5 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 right 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 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.

3.11 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 year in which these arise."

- Profit on bank balances, term deposit receipts, letters of placement, commercial papers and margin trading system are recognised on an accrual basis.

- Income from investments in sukuk certificates, term finance certificates and government securities are 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 19.

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.

4 BANK BALANCES

	Note	2021	2020
		--------Rupees in '000--------	
Current accounts	4.1	7,220	7,396
Savings accounts	4.2	5,041,208	1,143,745
		5,048,428	1,151,141

4.1 This includes a balance of Rs. 0.07 million (2020: Rs. 0.07 million), maintained with National Bank of Pakistan (related party).

4.2 These include balances of Rs 4.625 million (2020: Rs 1.19 million) , Rs 7.648 million (2020: Rs. 8.94 million) and Rs 611.227 million (2020: Nil) and Rs 0.007 million (2020: Nil) maintained with BankIslami Pakistan Limited, National Bank of Pakistan, Khushhali Bank Limited and Telenor Microfinance Bank (related parties) respectively, that carry profit at the rate of 6.8% (2020: 6.75%), 4.50% (2020: 7.25% and 5.50%), 8.5% (2020: Nil) and 5.5% (2020: Nil) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 6.9% to 9% (2020: 5.50% to 15.50%) per annum.

5 INVESTMENTS

	Note	2021	2020
		--------Rupees in '000--------	
At fair value through profit or loss			
Equity securities	5.1	-	-
Equity securities (spread transactions)	5.2	961,248	-
Government securities - Market Treasury Bills	5.3	29,725	196,282
Government securities - Pakistan Investment Bonds	5.4	-	445,263
Term finance certificates - non-performing securities	5.5	-	-
Term finance certificates	5.6	816,660	868,428
Corporate sukuk certificates	5.7	980,347	938,553
Corporate sukuk certificates - non-performing securities	5.8	-	-
Commercial papers	5.9	-	119,415
Term deposit receipts	5.10	-	270,000
Letters of placement	5.11	-	-
Future stock contracts	5.12	34,199	-
		2,822,179	2,837,941

5.1 Equity securities

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

Investee Company	Number of shares					Market value as at June 30, 2021	Percentage in relation to		
	As at July 01, 2020	Purchased during the year	Bonus / right shares	Sold during the year	As at June 30, 2021		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
						Rupees in '000	%		
PERSONAL GOODS									
Azgard Nine Limited - Non-voting*	308	-	-	-	308	-	-	-	-
Total						-	-	-	
Carrying value as at June 30, 2021						-			
Market value as at June 30, 2020						-			
Carrying value as at June 30, 2020						-			

* These shares are fully provided due to non-tradability.

5.2 Equity securities (spread transactions)

All shares have a nominal face value of Rs. 10 each except for K-Electric Limited which has a face value of Rs. 3.5 each.

Investee Company	Number of shares				Market value as at June 30, 2021	Percentage in relation to		
	As at July 01, 2020	Purchased during the year	Sold during the year	As at June 30, 2021		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
					Rupees in '000	%		
AUTOMOBILE ASSEMBLER								
Pak Suzuki Motor Company Limited	-	256,000	182,000	74,000	26,303	0.33%	0.93%	0.09%
Ghandhara Industries Limited	-	544,500	544,500	-	-	-	-	-
Ghandhara Nissan Limited	-	353,000	353,000	-	-	-	-	-
					26,303	0.33%	0.93%	
AUTOMOBILE PARTS & ACCESSORIES								
The General Tyre and Rubber Company of Pakistan Limited	-	24,000	24,000	-	-	-	-	-
					-	-	-	
CEMENT								
D.G. Khan Cement Company Limited	-	6,995,000	6,230,500	764,500	90,150	1.13%	3.19%	0.17%
Fauji Cement Company Limited	-	7,163,500	6,731,500	432,000	9,936	0.12%	0.35%	0.03%
Maple Leaf Cement Factory Limited	-	30,926,500	29,490,000	1,436,500	67,487	0.85%	2.39%	0.13%
Lucky Cement Limited	-	486,000	486,000	-	-	-	-	-
Pioneer Cement Limited	-	2,953,000	2,370,500	582,500	76,348	0.96%	2.71%	0.26%
Kohat Cement Company Limited	-	1,000	1,000	-	-	-	-	-
Cherat Cement Company Limited	-	1,087,500	862,500	225,000	39,910	0.50%	1.41%	0.12%
Power Cement Limited	-	6,663,000	6,663,000	-	-	-	-	-
					283,831	3.56%	10.05%	

Investee Company	Number of shares				Market value as at June 30, 2021	Percentage in relation to		
	As at July 01, 2020	Purchased during the year	Sold during the year	As at June 30, 2021		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
					Rupees in '000	-------------------- % --------------------		
COMMERCIAL BANKS								
Habib Bank Limited*	-	1,728,000	1,689,000	39,000	4,772	0.06%	0.17%	-
The Bank of Punjab*	-	3,201,500	3,200,000	1,500	13	-	-	-
Askari Bank Limite	-	342,500	342,500	-	-	-	-	-
Bank Alfalah Limited	-	243,500	243,500	-	-	-	-	-
Bank Al Habib Limited	-	445,000	445,000	-	-	-	-	-
MCB Bank Limited	-	23,000	23,000	-	-	-	-	-
Meezan Bank Limited	-	198,500	198,500	-	-	-	-	-
United Bank Limited	-	839,500	839,500	-	-	-	-	-
					4,785	0.06%	0.17%	
FERTILIZER								
Engro Fertilizers Limited	-	6,267,000	6,267,000	-	-	-	-	-
Engro Corporation Limited	-	500,500	500,500	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	12,178,500	11,651,000	527,500	13,931	0.18%	0.49%	0.06%
					13,931	0.18%	0.49%	
POWER GENERATION AND DISTRIBUTION								
K-Electric Limited*	-	337,500	55,500	282,000	1,179	0.01%	0.04%	-
Kot Addu Power Company Limited	-	4,151,500	3,291,500	860,000	38,141	0.48%	1.35%	0.10%
					39,320	0.49%	1.39%	
OIL AND GAS EXPLORATION COMPANIES								
Oil and Gas Development Company Limited	-	8,206,000	7,681,500	524,500	49,843	0.63%	1.77%	0.01%
Pakistan Petroleum Limited*	-	3,664,500	3,604,500	60,000	5,210	0.07%	0.18%	-
Pakistan Oilfields Limited	-	73,000	73,000	-	-	-	-	-
					55,053	0.70%	1.95%	
OIL AND GAS MARKETING COMPANIES								
Pakistan State Oil Company Limited	-	3,708,000	2,864,500	843,500	189,155	2.38%	6.70%	0.18%
Sui Southern Gas Company Limited	-	143,500	143,500	-	-	-	-	-
Hascol Petroleum Limited	-	16,956,000	16,956,000	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	8,894,000	8,181,000	713,000	34,637	0.44%	1.23%	0.11%
					223,792	2.82%	7.93%	
FOOD AND PERSONAL CARE PRODUCTS								
Treet Corporation Limited	-	307,000	307,000	-	-	-	-	-
Unity Food Limited	-	12,557,000	12,557,000	-	-	-	-	-
					-	-	-	
REFINERY								
Attock Refinery Limited	-	1,516,000	1,516,000	-	-	-	-	-
National Refinery Limited	-	420,000	420,000	-	-	-	-	-
Byco Petroleum Pakistan Limited	-	7,018,000	-	7,018,000	81,479	1.02%	2.89%	0.13%
Pakistan Refinery Limited	-	4,256,000	4,256,000	-	-	-	-	-
					81,479	1.02%	2.89%	

Investee Company	Number of shares				Market value as at June 30, 2021	Percentage in relation to		
	As at July 01, 2020	Purchased during the year	Sold during the year	As at June 30, 2021		Net assets of the Fund	Total market value of the investment	Paid-up capital of the investee company
					Rupees in '000	-------------------- % --------------------		
CABLE AND ELECTRICAL GOODS								
Pak Elektron Limited	-	23,278,500	22,487,500	791,000	27,732	0.35%	0.98%	0.16%
					27,732	0.35%	0.98%	
PHARMACEUTICALS								
The Searle Company Limited	-	1,790,000	1,745,000	45,000	10,918	0.14%	0.39%	0.02%
Ferozsons Laboratories Limited	-	30,000	30,000	-	-	-	-	-
					10,918	0.14%	0.39%	
ENGINEERING								
International Industries Limited	-	2,427,500	2,327,000	100,500	21,208	0.27%	0.75%	0.08%
Aisha Steel Limited	-	1,612,500	1,153,000	459,500	11,446	0.14%	0.41%	0.06%
Mughal Iron and Steel industries Limited	-	1,300,000	1,259,500	40,500	4,228	0.05%	0.15%	0.02%
Amreli Steels Limited	-	5,332,000	5,290,000	42,000	1,824	0.02%	0.06%	0.01%
					38,706	0.48%	1.37%	
TEXTILE COMPOSITE								
Nishat Mills Limited	-	3,527,500	3,126,000	401,500	37,460	0.47%	1.33%	0.11%
Nishat Chunian Limited	-	4,025,500	2,837,500	1,188,000	59,745	0.75%	2.12%	0.49%
					97,205	1.22%	3.45%	
TECHNOLOGY AND COMMUNICATION								
Avanceon Limited	-	887,500	887,500	-	-	-	-	-
Netsol Technologies Limited	-	564,500	564,500	-	-	-	-	-
Systems Limited	-	1,000	1,000	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	1,796,000	1,207,500	588,500	6,968	0.09%	0.25%	0.02%
TRG Pakistan Limited	-	4,390,000	4,390,000	-	-	-	-	-
					6,968	0.09%	0.25%	
GLASS & CERAMICS								
Tariq Glass Industries Limited	-	731,000	590,500	140,500	14,946	0.19%	0.53%	0.13%
					14,946	0.19%	0.53%	
TRANSPORT								
Pakistan International Bulk Terminal Limited	-	59,395,500	56,818,500	2,577,000	29,326	0.37%	1.04%	0.14%
					29,326	0.37%	1.04%	
CHEMICAL								
Engro Polymer & Chemicals Limited	-	5,124,000	4,984,500	139,500	6,590	0.08%	0.23%	0.02%
Lotte Chemical Pakistan Limited*	-	13,099,000	13,075,500	23,500	363	-	0.01%	-
Descon Oxychem Limited	-	1,018,500	1,018,500	-	-	-	-	-
					6,953	0.08%	0.24%	
INSURANCE								
Adamjee Insurance Company Limited	-	8,500	8,500	-	-	-	-	-
					-	-	-	

Investee Company	Number of shares: As at July 01, 2020	Number of shares: Purchased during the year	Number of shares: Sold during the year	Number of shares: As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to: Net assets of the Fund	Percentage in relation to: Total market value of the investment	Percentage in relation to: Paid-up capital of the investee company
					Rupees in '000	------------------- %	-------------------	
PAPER & BOARD								
Century Paper and Board Mills Limited	-	67,500	67,500	-	-	-	-	-
					-	-	-	
Total					961,248	12.08%	34.05%	
Carrying value as at June 30, 2021					994,377			
Market value as at June 30, 2020					-			
Carrying value as at June 30, 2020					-			

*Nil figure due to rounding off

5.2.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchased equity securities in ready settlement market and sold them in future settlement market earning income on spread transactions due to difference in ready and future stock prices.

5.3 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	Percentage in relation to: Net assets of the Fund	Percentage in relation to: Total market value of the investment
			------------------------ Rupees in '000	------------------------			-------------- %	------------
July 16, 2020	3	-	75,000	75,000	-	-	-	-
July 16, 2020	6	-	75,000	75,000	-	-	-	-
June 18, 2020	3	100,000	-	100,000	-	-	-	-
September 24, 2020	3	-	100,000	100,000	-	-	-	-
October 22, 2020	3	-	500,000	500,000	-	-	-	-
August 13, 2020	3	-	700,000	700,000	-	-	-	-
May 7, 2020	6	100,000	50,000	150,000	-	-	-	-
November 5, 2020	3	-	440,000	440,000	-	-	-	-
November 19, 2020	3	-	1,080,500	1,080,500	-	-	-	-
December 3, 2020	3	-	1,159,500	1,159,500	-	-	-	-
May 6, 2021	3	-	500,000	500,000	-	-	-	-
January 14, 2021	3	-	3,224,000	3,224,000	-	-	-	-
June 3, 2021	3	-	400,000	390,000	10,000	9,890	0.12%	0.35%
April 8, 2021	3	-	290,000	290,000	-	-	-	-
May 20, 2021	3	-	500,000	480,000	20,000	19,835	0.25%	0.70%
April 22, 2021	3	-	500,000	500,000	-	-	-	-
February 25, 2021	3	-	806,000	806,000	-	-	-	-
March 25, 2021	3	-	6,555,000	6,555,000	-	-	-	-
March 26, 2021	12	-	211,000	211,000	-	-	-	-
January 28, 2021	3	-	235,000	235,000	-	-	-	-

Issue date	Tenor in months	Face value				Market value as at June 30, 2021	Percentage in relation to	
		As at July 01, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021		Net assets of the Fund	Total market value of the investment
			------------------------- Rupees in '000	-----------------------			------------- %	------------
December 31, 2020	3	-	1,065,000	1,065,000	-	-	-	-
Total						29,725	0.37%	1.05%
Carrying value as at June 30, 2021						29,723		
Market value as at June 30, 2020						196,282		
Carrying value as at June 30, 2020						195,903		

5.3.1 Market treasury bills with a market value of Rs 29.725 million (2020: Rs. 196.282 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.

5.3.2 This carries yield at rates ranging from 7.22% to 7.29% per annum and is due to mature latest by August 26, 2021.

5.4 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Face value				Market value as at June 30, 2021	Investment as a percentage of	
		As at July 01, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021		Net assets	Market value of total investments
			------------------------- Rupees in '000	-----------------------			------------- %	------------
September 19, 2019	3 years	100,000	-	100,000	-	-	-	-
September 19, 2019	5 years	325,000	-	325,000	-	-	-	-
Total						-	-	-
Carrying value as at June 30, 2021						-		
Market value as at June 30, 2020						445,263		
Carrying value as at June 30, 2020						416,357		

5.5 Term finance certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the year	Sales / redemptions during the year	As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to	
										Net assets of the Fund	Total market value of the investment
					------------- Number of certificates			-------------	Rupees in '000	------------- %	------------------
CEMENT											
Dewan Cement Limited TFC (Face value of Rs. 5,000 per certificate)	Unrated	-	January 17, 2022	6 months KIBOR plus base rate of 2%	30,000	-	-	30,000	-	-	-

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the year	Sales / redemptions during the year	As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to: Net assets of the Fund	Percentage in relation to: Total market value of the investment
					Number of certificates				Rupees in '000	%	
CHEMICAL											
Agritech Limited TFC V (Face value of Rs. 5,000 per certificate)	Unrated	-	January 1, 2025	11% fixed rate	6,464	-	-	6,464	-	-	-
Agritech Limited TFC I (Face value of Rs. 4,995 per certificate)	CCC, PACRA	-	November 29, 2025	6 months KIBOR plus base rate of 1.75%	30,000	-	-	30,000	-	-	-
LEASING COMPANIES											
Saudi Pak Leasing Company Limited - TFC II (Face value of Rs. 2,755 per certificate)	Unrated	-	March 13, 2013	6.87%	15,000	-	-	15,000	-	-	-
TECHNOLOGY & COMMUNICATION											
Worldcall Telecom Limited - TFC III (Face value of Rs. 1,666 per certificate)	D, PACRA	Quarterly	October 7, 2013	6 months KIBOR plus base rate of 1.6%	45,000	-	-	45,000	-	-	-
TEXTILE COMPOSITE											
Azgard Nine Limited - TFC III (Face value of Rs. 2,168 per certificate)	CCC, PACRA	-	December 4, 2025	6 months KIBOR plus base rate of 2.25%	50,000	-	-	50,000	-	-	-
Azgard Nine Limited V (PPTFC) (Face value of Rs. 5,000 per certificate)	Unrated	-	March 31, 2021	Zero - coupon bond	16,436	-	-	16,436	-	-	-
MISCELLANEOUS											
PACE Pakistan Limited TFC (Face value of Rs. 4,994 per certificate)	Unrated	-	February 15, 2017	6 months KIBOR plus base rate of 2.00%	30,000	-	-	30,000	-	-	-
New Allied Electronic Industries (Private) Limited TFC (Face value of Rs. 2,114 per certificate)	Unrated	-	November 15, 2022	3 months KIBOR plus base rate of 3%	15,000	-	-	15,000	-	-	-
Total									-	-	-
Carrying value as at June 30, 2021									-		
Market value as at June 30, 2020									-		
Carrying value as at June 30, 2020									-		

5.5.1 "The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly had been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 815.779 (2020: 820.562) million against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012."

During the year, the Fund has received Rs 4.806 million including mark-up of Rs 0.023 million against recovery of provided term finance certificate of Azgard Nine Limited.

5.6 Term finance certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the year	Sales / redemptions during the year	As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to Net assets of the Fund	Percentage in relation to Total market value of the investment
					------------ Number of certificates------------				Rupees in '000	-------------- % --------------	
COMMERCIAL BANKS											
JS Bank Limited TFC (Face value of Rs. 4,992 per certificate)	A+, PACRA	Semi-Annually	December 14, 2023	6 months KIBOR plus base rate of 1.4%	60,000	-	-	60,000	294,721	3.71%	10.44%
Silk Bank Limited TFC (Face value of Rs. 4,997 per certificate)	BBB+, VIS	Semi-Annually	August 10,2025	6 months KIBOR plus base rate of 1.85%	20,000	-	-	20,000	84,329	1.06%	2.99%
JS Bank Limited - TFC (2nd Issue) (Face value of Rs. 99,880 per certificate)	A+, PACRA	Semi-Annually	December 29, 2024	6 months KIBOR plus base rate of 1.4%	1,000	-	-	1,000	98,022	1.23%	3.47%
The Bank of Punjab - TFC (2nd Issue) (Face value of Rs. 99,900 per certificate)	AA-, PACRA	Semi-Annually	April 23, 2028	6 months KIBOR plus base rate of 1.25%	1,500	-	-	1,500	149,783	1.88%	5.31%
INVESTMENT COMPANIES											
Jahangir Siddiqui and Company Limited - TFC (4th Issue) (Face value of Rs. 625 per certificate)	AA+, PACRA	Semi-Annually	June 24, 2021	6 months KIBOR plus base rate of 1.65%	20,000	-	20,000	-	-	-	-
Jahangir Siddiqui and Company Limited - TFC (5th issue) (Face value of Rs. 2,500 per certificate)	AA+, PACRA	Semi-Annually	July 18, 2022	6 months KIBOR plus base rate of 1.4%	23,340	-	-	23,340	55,646	0.70%	1.97%
Jahangir Siddiqui and Company Limited - TFC (6th Issue) (Face value of Rs. 4,167 per certificate)	AA+, PACRA	Semi-Annually	March 6, 2023	6 months KIBOR plus base rate of 1.4%	30,000	-	-	30,000	119,229	1.50%	4.22%
MISCELLANEOUS											
Kashf Foundation - PPTFC (Face value of Rs. 916,667 per certificate)	A, PACRA	Quarterly	September 30, 2023	3 months KIBOR plus base rate of 2.25%	20	-	-	20	14,930	0.19%	0.53%
Total									816,660	10.27%	28.93%
Carrying value as at June 30, 2021									840,853		
Market value as at June 30, 2020									868,428		
Carrying value as at June 30, 2020									902,754		

5.7 Corporate sukuk certificates

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the year	Sales / redemptions during the year	As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to Net assets of the Fund	Percentage in relation to Total market value of the investment
					------------- Number of certificates-------------				Rupees in '000	------------- % -------------	
INVESTMENT COMPANIES											
Dawood Hercules Corporation Limited Sukuk I (Face value of Rs. 60,000 per certificate)	AA, PACRA	Quarterly	November 16, 2022	3 months KIBOR plus base rate of 1.0%	2,555	-	2,555	-	-	-	-
CEMENT											
Javedan Corporation Limited Sukuk I (Face value of Rs. 100,000 per certificate)	AA-, VIS	Semi-Annually	October 4, 2026	6 months KIBOR plus base rate of 1.75%	1,000	-	-	1,000	90,750	1.14%	3.22%
TECHNOLOGY AND COMMUNICATION											
TPL Trakker Limited Sukuk (Face value of Rs. 1000,000 per certificate)	A+, PACRA	Semi-Annually	March 30, 2026	6 months KIBOR plus base rate of 1.40%	-	50	-	50	50,059	0.63%	1.77%
POWER GENERATION & DISTRIBUTION											
K-Electric Limited - Sukuk - V (Face value of Rs. 5,000 per certificate)	AA+, VIS	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.7%	80,000	-	-	80,000	406,200	5.11%	14.39%
The Hub Power Company Limited Sukuk (3rd Issue) (related party) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Quarterly	August 22, 2023	3 months KIBOR plus base rate of 1.9%	1,000	-	-	1,000	101,994	1.28%	3.61%
TEXTILE COMPOSITE											
Masood Textile Mills Limited Sukuk I (Face value of Rs. 5,000 per certificate)	A, VIS	Quarterly	December 17, 2024	3 months KIBOR plus base rate of 2.0%	1,000	-	-	1,000	96,190	1.21%	3.41%
MISCELLANEOUS											
Hub Power Holding Limited Sukuk (related party) (Face value of Rs. 100,000 per certificate)	AA+, PACRA	Semi-Annually	November 12, 2025	6 months KIBOR plus base rate of 2.5%	-	2,000	-	2,000	176,768	2.22%	6.26%
Shakarganj Food Products Limited Sukuk I (Face value of Rs. 850,000 per certificate)	BBB+, VIS	Quarterly	July 10, 2024	3 months KIBOR plus base rate of 1.75%	70	-	-	70	58,386	0.73%	2.07%
Total									980,347	12.32%	34.73%
Carrying value as at June 30, 2021									926,602		
Market value as at June 30, 2020									938,553		
Carrying value as at June 30, 2020									933,558		

5.8 Corporate sukuk certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the year	Sales / redemptions during the year	As at June 30, 2021	Market value as at June 30, 2021	Percentage in relation to Net assets of the Fund	Percentage in relation to Total market value of the investment
					------------- Number of certificates-------------				Rupees in '000	------------- % -------------	
MISCELLANEOUS											
New Allied Electronic Industries (Private) Limited - Sukuk II (Note 5.8.1 (Face value of Rs. 4,905 per certificate)	Unrated	-	December 3, 2025	6 months KIBOR plus base rate of 2.2%	9,000	-	-	9,000	-	-	-
Eden Housing Limited Sukuk (2nd Issue) (Note 5.8.1) (Face value of Rs. 984 per certificate)	D, VIS	-	September 29, 2025	6 months KIBOR plus base rate of 2.5%	9,200	-	-	9,200	-	-	-
Total									-	-	-
Carrying value as at June 30, 2021									-		
Market value as at June 30, 2020									-		
Carrying value as at June 30, 2020									-		

5.8.1 The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly has been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 53.205 million (2020: 53.205 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

5.9 Commercial papers

Name of security	Rating	Face value: As at July 1, 2020	Face value: Purchased during the year	Face value: Disposed off / 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
		---------- Rupees in '000 ----------					------- % -------	
TECHNOLOGY AND COMMUNICATION								
TPL Corporation Limited CP	A-, PACRA	120,000	-	120,000	-	-	-	-
TPL Corporation Limited CP	A-, PACRA	-	116,276	116,276	-	-	-	-
TPL Corporation Limited CP	A-, PACRA	-	41,126	41,126	-	-	-	-
Total						-	-	-
Carrying value as at June 30, 2021						-		
Market value as at June 30, 2020						119,415		
Carrying value as at June 30, 2020						119,415		

5.10 Term deposit receipts

Name of Investee Company	Rating	Placement date	Profit rate	As at July 1, 2020	Amount placed during the year	Amount redeemed during the year	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										
Mobilink Microfinance Bank Limited	A, PACRA	October 22, 2019	15.60%	270,000	-	270,000	-	-	-	-
Total								-	-	-
Carrying value as at June 30, 2021								-		
Market value as at June 30, 2020								270,000		
Carrying value as at June 30, 2020								270,000		

5.11 Letters of placement

Name of the Investee Company	Rating	Maturity date	Profit rate	Amount placed		As at June 30, 2021	As at June 30, 2021		Market value as a percentage of	
				Purchased during the year	Matured during the year		Carrying value	Market value	Total investments	Net assets
							---- (Rupees in '000) ----		---- (%) ----	
DEVELOPMENT FINANCE INSTITUTION										
Pak Brunei Investment Company	AA+, VIS	May 17, 2021	7.17%	700,000,000	(700,000,000)	-	-	-	-	-
Pak Brunei Investment Company	AA+, VIS	May 31, 2021	7.20%	960,000,000	(960,000,000)	-	-	-	-	-
Pak Brunei Investment Company	AA+, VIS	June 15, 2021	7.20%	930,000,000	(930,000,000)	-	-	-	-	-
Total as at June 30, 2021							-	-	-	-
Total as at June 30, 2020							-	-	-	-

5.12 This represents unrealised gain amounting to Rs. 34.199 million (2020: Nil) on mark to market of future stock contracts.

5.13 Unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss' - net	**Note**	**2021**	**2020**
		--------Rupees in '000--------	
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.6, 5.7, 5.9, 5.10, 5.11 & 5.12	2,822,179	2,448,526
Less: carrying value of investments		(2,791,555)	(2,448,572)
		30,624	(46)

6 RECEIVABLE AGAINST MARGIN TRADING SYSTEM

Receivable against MTS	6.1	169,506	65,692

6.1 This carries average profit rate of 8.66% (2020: 9.77%) per annum.

		Note	2021	2020
7	**PROFIT RECEIVABLE**		--------Rupees in '000--------	
	Profit receivable on:			
	- Bank balances		23,782	7,855
	- Term deposit receipts		-	7,998
	- Margin trading system		1,120	189
	- Term finance certificates and sukuk certificates		23,897	35,425
	- Pakistan investment bonds		-	11,348
			48,799	62,815

		Note	2021	2020
8	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Prepaid annual rating fee		274	249
	Security deposit with the Central Depository Company of Pakistan Limited *		100	100
	Security deposit with the National Clearing Company of Pakistan*		2,750	2,750
	Advance tax	8.1	10,877	8,074
	Others		-	201
			14,001	11,374

* related party balances

8.1 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 and debt securities paid to the Fund was 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 and debt securities amounting to Rs. 10.877 million (2020: 8.074 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 Honourable 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 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 judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank balances and debt securities has been shown as other receivable as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded to the Fund.

		Note	2021	2020
9	**PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY**		---------Rupees in '000---------	
	Remuneration of the Management Company	9.1	4,107	2,303
	Sindh Sales Tax on remuneration of the Management Company	9.2	534	299
	Allocated expenses payable	9.3	2,923	1,011
	Selling and marketing expenses payable	9.4	16,370	7,075
	Sales and transfer load payable		5,959	2,221
	Sindh Sales Tax on sales and transfer load		775	289
	Federal Excise Duty on remuneration of the Management Company and sales load	9.5	40,695	40,695
	ADC charges payable including Sindh Sales Tax		154	-
	Others		-	104
			71,517	53,997

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 at the rate of 6% (2020: 6%) of net income, subject to floor and capping of 0.5% and 1% per annum of the average net assets of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 5.380 million (2020: Rs. 5.006 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).

Accordingly, the Management Company based on its discretion has charged allocated expenses 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 had 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.

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 based on its own discretion has charged selling and marketing expenses at the rate of 0.7% (June 30, 2020: 0.7%) of the average annual net assets of the Fund and the same has also been approved by the Board of Directors of the Management Company.

9.5 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 40.695 million (2020: Rs 40.695 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 0.055 (2020: Re 0.1094) per unit.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE - RELATED PARTY	Note	2021	2020
			--------------Rupees in '000--------------	
	Trustee remuneration	10.1	559	254
	Sindh Sales Tax on trustee remuneration	10.2	73	34
			632	288

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2020: 0.075%) per annum of net assets. Accordingly the Fund has charged trustee fee at the above mentioned rate during the year.

10.2 During the year, an amount of Rs 0.682 million (2020: Rs 0.470 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	1,400	964

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.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021	2020
			----------Rupees in '000----------	
	Auditors' remuneration payable		538	521
	Provision for Sindh Workers' Welfare Fund	12.1	52,133	41,682
	Brokerage fee payable		2,972	24
	Settlement charges payable		244	263
	Printing charges payable		74	43
	Withholding tax payable		39,672	44,513
	Capital gain tax payable		9,434	1,126
	Legal and professional charges payable		364	355
	Other payable		215	184
			105,646	88,711

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 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 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. 0.0706 per unit (2020: Re. 0.1121 per unit).

13 CONTINGENCIES AND COMMITMENTS

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

14 NUMBER OF UNITS IN ISSUE

	2021	2020
	----------Number of units---------	
Total units in issue at the beginning of the year	371,960,210	493,535,933
Add: units issued during the year	1,047,353,694	304,146,950
Less: units redeemed during the year	(680,615,059)	(425,722,673)
Total units in issue at the end of the year	738,698,845	371,960,210

15 AUDITORS' REMUNERATION

	2021	2020
Annual audit fee	410	401
Half yearly review	170	175
Other certification	95	-
Out of pocket expense	20	112
	695	688

16 NET ASSET VALUE PER UNIT

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

17 CASH AND CASH EQUIVALENTS

	Note	2021	2020
		----------Rupees in '000----------	
Bank balances	4	5,048,428	1,151,141
Government securities - Market Treasury Bills	5.3	29,725	-
		5,078,153	1,151,141

18 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 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.

19 EARNING PER UNIT

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

20 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the year ended June 30, 2021 is 2.10% (2020: 2.13%) which includes 0.25% (2020: 0.39%) representing government levies on the Fund such as Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. The TER excluding government levies is 1.85% (2020: 1.74%) which is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as income scheme.

21. DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

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

Following is the detail 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	% of net assets	% of gross assets
Azgard Nine Limited III	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	103,594	(103,594)	-	-	-
Azgard Nine Limited V	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	82,180	(82,180)	-	-	-
Agritech Limited I	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	149,860	(149,860)	-	-	-
Agritech Limited V	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	32,320	(32,320)	-	-	-
Dewan Cement Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	150,000	(150,000)	-	-	-
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	9,056	(9,056)	-	-	-
New Allied Electronics Industries (Private) Limited - PPTFC	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	31,707	(31,707)	-	-	-

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	% of net assets	% of gross assets
New Allied Electronics Industries (Private) Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	44,149	(44,149)	-	-	-
Pace Pakistan Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	149,820	(149,820)	-	-	-
Saudi Pak Leasing Company Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	41,321	(41,321)	-	-	-
Worldcall Telecom Limited	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	74,977	(74,977)	-	-	-
Azgard Nine Limited (Non-voting)	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Shares	13	(13)	-	-	-
Total carrying value and accumulated impairment as at June 30, 2021			868,997	(868,997)	-		

21.1 At the time of purchase, these investments were in compliance with the aforementioned circular. However, they either subsequently defaulted or were downgraded to non investment grade.

22. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

22.1 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.

22.2 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.

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

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

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

22.6 Details of transactions with connected persons and related parties are as follows:

	2021	2020
	--------- Rupees in '000 ---------	
NBP Fund Management Limited (The Management Company)		
Remuneration of the Management Company	41,385	38,508
Sindh Sales Tax on remuneration of the Management Company	5,380	5,006
Allocated expenses	8,391	4,820
Selling and marketing expenses	48,989	33,266
Sales and transfer load	11,026	2,919
Sales tax on sales and transfer load	1,433	379
ADC charges for the year including Sindh Sales Tax	490	-
Units issued: 29,128,784 units (2020: Nil units)	328,000	-
Units redeemed: 25,409,551 units (2020: Nil units)	290,175	-
Dividend re-invest units: 13,069 units (2020: Nil)	141	-
NBP Employees Pension Fund ((Unit holder with more than 10% holding)		
Dividend re-invest: 8,257,953 units (2020: 12,400,168 units)	88,832	133,289
Central Depository Company of Pakistan Limited (The Trustee)		
Remuneration of the Trustee	5,249	3,615
Sindh Sales Tax on remuneration of the Trustee	682	470
Settlement charges	341	507
National Clearing Company of Pakistan (common directorship)		
NCCPL charges	430	251
Units issued: 3,254,300 units (2020: Nil units)	35,000	-
Dividend re-invest units: 68,181 units (2020: Nil)	733	-
Pakistan Stock Exchange Limited (common directorship)		
Annual listing fee paid	28	28
Taurus Securities Limited (Subsidiary of Parent Company)		
Brokerage expense	560	-
Employees of the Management Company		
Units issued: 13,866,970 units (2020: 1,677,119 units)	154,717	19,303
Units redeemed: 13,712,621 units (2020: 3,194,883 units)	154,127	36,077
Dividend re-invest: 20,428 units (2020: 30,585 units)	220	329
Humayun Bashir (Director)		
Units issued: Nil (2020: 6,867,017 units)	-	78,554
Units redeemed: Nil (2020: 9,056,745 units)	-	103,379
NBP Mahana Amdani Fund		
Sale of market treasury bills	149,740	199,529
NBP Money Market Fund		
Purchase of Market treasury bills	776,531	147,300

	2021	2020
	--------- Rupees in '000 ---------	
NBP Savings Fund		
Sale of commercial paper	-	23,182
NBP Government Securities Savings Fund		
Sale of Market treasury bill	-	44,946
The Hub Power Company Limited (common directorship)		
Purchase of commercial paper	-	185,883
Purchase of sukuk certificates	-	200,000
Income from sukuk certificates	12,542	27,845
Hub Power Holdings Limited (common directorship)		
Purchase of sukuk certificates	164,917	-
Income from sukuk certificates	1,074	-
Fauji Fertilizer Company Limited (common directorship)		
Purchase of sukuk certificates	-	101,386
Portfolio managed by the Management Company		
Units issued: 9,372,235 units (2020: 1,864,028 units)	100,810	20,100
Units redeemed: 148,438 units (2020: 6,828,487 units)	1,621	74,042
Dividend re-invest units issued: 195,753 units (2020: Nil)	2,106	-
National Bank of Pakistan (Parent of the Management Company)		
Sale of Market treasury bills	-	312,863
Profit on bank balance	202	628
BankIslami Pakistan Limited (common directorship)		
Profit on bank balances	67	725
Khushhali Microfinance Bank Limited (common directorship)*		
Profit on bank balance	34,025	-
Muhammad Murtaza Ali (Company Secretary of the Management Company)		
Units issued: Nil (2020: 42,568 units)	-	500
Units redeemed: Nil (2020: 42,568 units)	-	505
Telenor Microfinance Bank Limited (common directorship)*		
Profit on bank balance	22	-

22.7 Amounts outstanding as at year end are as follows:

	2021	2020
	--------- Rupees in '000 ---------	
NBP Fund Management Limited (The Management Company)		
Remuneration of the Management Company	4,107	2,303
Sindh Sales Tax on remuneration of the Management Company	534	299
Allocated expenses payable	2,923	1,011
Selling and marketing expenses payable	16,370	7,075
Sales and transfer load payable	5,959	2,221
Sindh Sales Tax on sales and transfer load	775	289
Federal Excise Duty and related Sindh Sales Tax on management fee and sales load	40,695	40,695
ADC charges payable including Sindh Sales Tax	154	-
Other payable	-	104
Units held: 3,732,302 units (2020: Nil units)	40,186	-
Central Depository Company of Pakistan Limited (The Trustee)		
Remuneration of the Trustee	559	254
Sindh Sales Tax on remuneration of the Trustee	73	34
Settlement charges payable	82	113
Security deposit	100	100
National Clearing Company of Pakistan (common directorship)		
Security deposit	2,750	2,750
Settlement charges payable	116	143
Units held: 3,322,481 units (2020: Nil units)	35,773	-
Taurus Securities Limited (Subsidiary of Parent Company)		
Brokerage payable	299	-
National Bank of Pakistan (Parent of the Management Company)		
Bank balances	7,718	9,013
Profit receivable on bank balances	139	13
NBP Employees Pension Fund (Unit holder with more than 10% holding)		
Units held: 115,478,781 units (2020: 107,220,828 units)	1,243,372	1,153,160
BankIslami Pakistan Limited (common directorship)		
Bank balances	4,625	1,196
Profit receivable on bank balances	2	149
The Hub Power Company Limited (common directorship)		
Investment in sukuk certificates	101,994	102,145
Profit receivable on sukuk certificates	1,026	-

	2021	2020
	--------- Rupees in '000 ---------	
Hub Power Holding Limited (common directorship)		
Investment in sukuk certificates	176,768	-
Profit receivable on sukuk certificates	74	-
Portfolio managed by the Management Company		
Units held in the Fund: 9,493,770 units (2020: Nil units)	102,220	-
Employees of the Management Company		
Units held in the Fund: 754,847 units (2020: 599,936 units)	8,128	6,452
Khushhali Microfinance Bank Limited (common directorship)*		
Bank balance	611,277	-
Profit receivable on bank balance	11	-
Telenor Microfinance Bank Limited (common directorship)*		
Bank balance	7	-
Profit receivable on bank balance	15	-

*Prior year figure has not been presented as the person is not classified as a related party / connected person as at June 30, 2020.

23 FINANCIAL INSTRUMENTS BY CATEGORY

	---- 2021 ----		
	At fair value through profit or loss	At amortised cost	Total
	----Rupees in '000----		
Financial assets			
Bank balances	-	5,048,428	5,048,428
Investments	2,822,179	-	2,822,179
Receivable against margin trading system	-	169,506	169,506
Profit receivable	-	48,799	48,799
Receivable against issuance of units	-	49,272	49,272
Deposits	-	2,850	2,850
	2,822,179	5,318,855	8,141,034
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	71,517	71,517
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	632	632
Payable against redemption of units	-	19,370	19,370
Accrued expenses and other liabilities	-	4,407	4,407
	-	95,926	95,926

	2020		
	At fair value through profit or loss	At amortised cost	Total
	Rupees in '000		
Financial assets			
Bank balances	-	1,151,141	1,151,141
Investments	2,837,941	-	2,837,941
Receivable against margin trading system		65,692	65,692
Profit receivable	-	62,815	62,815
Receivable against issuance of units	-	16,636	16,636
Deposits and other receivables	-	3,051	3,051
	2,837,941	1,299,335	4,137,276
Financial liabilities			
Payable to NBP Fund Management Limited - the Management Company	-	53,997	53,997
Payable to Central Depository Company of Pakistan Limited - the Trustee	-	288	288
Payable against redemption of units	-	1,222	1,222
Accrued expenses and other liabilities	-	1,390	1,390
	-	56,897	56,897

24 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.

24.1 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 balances held with banks, investment in sukuk certificates, term finance certificates and 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 sukuk certificates, term finance certificates, margin trading system 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 and net assets of the Fund would have been higher / lower by Rs. 70.08 million (2020: Rs. 30.16 million).

(b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Government securities, term deposit receipts and commercial papers 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. 0.30 million (2020: Rs. 10.31 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% -9%	5,041,208	-	-	7,220	5,048,428
Investments	7.22% - 10.45%	1,016,688	810,044	-	995,447	2,822,179
Receivable against margin trading system		169,506	-	-	-	169,506
Profit receivable		-	-	-	48,799	48,799
Receivable against issuance of units		-	-	-	49,272	49,272
Deposits		-	-	-	2,850	2,850
		6,227,402	810,044	-	1,103,588	8,141,034
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	71,517	71,517
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	- 632	632
Payable against redemption of units		-	-	-	19,370	19,370
Accrued expenses and other liabilities		-	-	-	4,407	4,407
		-	-	-	95,926	95,926
On-balance sheet gap		6,227,402	810,044	-	1,007,662	
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		6,227,402	810,044	-		
Cumulative profit rate sensitivity gap		6,227,402	7,037,446	7,037,446		

	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	5.5% - 15.5%	1,143,745	-	-	7,396	1,151,141
Investments	7.7% - 15.9%	270,000	119,415	2,448,526	-	2,837,941
Receivable against margin trading system		65,692	-	-	-	65,692
Profit receivable		-	-	-	62,815	62,815
Receivable against issuance of units		-	-	-	16,636	16,636
Deposits and other receivables		-	-	-	3,051	3,051
		1,479,437	119,415	2,448,526	89,898	4,137,276
Financial liabilities						
Payable to NBP Fund Management Limited - the Management Company		-	-	-	53,997	53,997
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	288	288
Payable against redemption of units		-	-	-	1,222	1,222
Accrued expenses and other liabilities		-	-	-	1,390	1,390
		-	-	-	56,897	56,897
On-balance sheet gap		1,479,437	119,415	2,448,526	33,001	
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total profit rate sensitivity gap		1,479,437	119,415	2,448,526		
Cumulative profit rate sensitivity gap		1,479,437	1,598,852	4,047,378		

(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.

In case of 1% increase / decrease in KSE-100 Index on June 30, 2021, with all variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs 9.61 million (2020 : Nil) 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 1% 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 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 KSE-100 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 KSE-100 Index.

24.2 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 instruments. 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 assets and liabilities that are receivable / payable on demand including bank balances 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	71,517	-	-	-	-	-	71,517
Payable to Central Depository Company of Pakistan Limited - the Trustee	632	-	-	-	-	-	632
Payable against redemption of units	19,370	-	-	-	-	-	19,370
Accrued expenses and other liabilities	4,407	-	-	-	-	-	4,407
	95,926	-	-	-	-	-	95,926

	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
	2020						
	Rupees in '000						
Financial liabilities							
Payable to NBP Fund Management Limited the Management Company	53,997	-	-	-	-	-	53,997
Payable to Central Depository Company of Pakistan Limited - the Trustee	288	-	-	-	-	-	288
Payable against redemption of units	1,222	-	-	-	-	-	1,222
Accrued expenses and other liabilities	1,390	-	-	-	-	-	1,390
	56,897	-	-	-	-	-	56,897

24.3 Credit risk

24.3.1 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	5,048,428	5,048,428	1,151,141	1,151,141
Investments	2,822,179	1,797,007	2,837,941	2,196,396
Receivable against margin trading system	169,506	-	65,692	-
Profit receivable	48,799	48,799	62,815	51,467
Deposits and other receivable	2,850	2,850	3,051	3,051
Receivable against issuance of units	49,272	49,272	16,636	16,636
	8,141,034	6,946,356	4,137,276	3,418,691

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.

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.

24.3.2 Credit quality of financial assets

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

Rating	% of financial assets exposed to credit risk	
	2021	2020
Bank balances		
AAA	0.24%	6.06%
AA+	34.50%	0.99%
AA-	9.33%	-
A+	8.80%	29.30%
A-	0.00%	0.02%
A	-	-
BBB-	-	-
Term finance certificates and sukuk certificates		
AA+	12.38%	41.33%
AA-	3.46%	-
A+	6.37%	-
A	1.60%	9.89%
BBB-	-	-
	76.69%	87.59%

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing at 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 value.

	2021			
	Level 1	Level 2	Level 3	Total
	Rupees in 000			
At fair value through profit or loss				
Equity securities (spread transactions)	961,248	-	-	961,248
Government securities - Market Treasury Bills	-	29,725	-	29,725
Term finance certificates	-	816,660	-	816,660
Corporate sukuk certificates	-	980,347	-	980,347
Future stock contracts	34,199	-	-	34,199
	995,447	1,826,732	-	2,822,179

	2020			
	Level 1	Level 2	Level 3	Total
	Rupees in 000			
At fair value through profit or loss				
Government securities - Market Treasury Bills	-	196,282	-	196,282
Government securities - Pakistan Investment Bonds	-	445,263	-	445,263
Term finance certificates	-	868,428	-	868,428
Corporate sukuk certificates	-	938,553	-	938,553
Commercial papers*	-	119,415	-	119,415
Term deposit receipts**	-	270,000	-	270,000
	-	2,837,941	-	2,837,941

* The valuation of commercial papers has been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 issued by the SECP as the residual maturity of these investments is less than six months and 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 counterparties which have high credit ratings.

26. 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 24, 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.

27 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	3	1,319,331	16.59%	1	1,153,160	28.83%
Individuals	4,150	3,310,494	41.62%	3,207	1,414,961	35.37%
Insurance companies	5	127,133	1.60%	6	60,933	1.52%
NBFCs	1	-	0.00%	1	-	0.00%
Public Limited companies	8	326,997	4.11%	6	208,700	5.22%
Retirement funds	48	1,455,427	18.30%	39	608,942	15.22%
Others	116	1,414,238	17.78%	96	553,721	13.84%
	4,331	7,953,620	100.00%	3,356	4,000,417	100.00%

28 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2021 % of commission paid	Name of broker	2020 % of commission paid
M.R.A Securities	48.83%	Adam Securities (Private) Limited	21.93%
Adam Securities (Private) Limited	18.95%	Alfalah Securities (Private) Limited	3.18%
J.S. Global Capital Ltd.	7.82%	EFG Hermes Pakistan Limited	1.39%
Aqeel Karim Dehdi Securities (Private) Limited	5.67%	MRA Securities Limited	56.33%
Darson Securities (Private) Limited	4.55%	J.S. Global Capital Limited	2.50%
Insight Securities (Private) Limited	4.45%	Icon Securities (Private) Limited	0.86%
Taurus Securities Limited.	3.16%	Bright Capital (Private) Limited	4.80%
Bma Capital Management Limited	2.30%	Bma Capital Management Limited	1.90%
Topline Securities Limited	2.04%	Vector Capital (Private) Limited	1.50%
Al Habib Capital Markets (Private) Limited	0.94%	Next Capital Limited	5.26%

29 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

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	Deputy Chief Investment Officer	CFA	15
Muhammad Ali Bhabha (note 29.1)	Head of Fixed Income	CFA / MBA / FRM / MS	26
Hassan Raza	Head of Research	ACCA / BSC / CFA	10

29.1 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 Islamic Mahana Amdani 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

30 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 30.1]	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 30.2]	2	2	-	-

30.1 Saad ur Rahman Khan resigned as director on December 03, 2020.

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

31 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.

32 GENERAL

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

33 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')	7,953,620	4,000,417	5,295,769	6,351,157	8,199,128	6,274,223
Net Income / (loss) (Rs. '000')	512,086	596,574	498,027	434,363	290,906	226,587
Net Asset Value per units (Rs.)	10.7671	10.7550	10.7303	11.2668	10.6964	10.7016
Offer price per unit	10.8888	10.8765	10.8515	11.3941	10.8173	10.8431
Redemption price per unit	10.7671	10.7550	10.7303	11.2668	10.6964	10.7016
Ex - Highest offer price per unit (Rs.)	10.8888	10.8772	11.3930	11.3941	10.8225	10.8431
Ex - Lowest offer price per unit (Rs.)	10.1012	9.4903	10.8200	10.8180	10.1963	10.0903
Ex - Highest redemption price per unit (Rs.)	10.7671	10.7557	11.2657	11.2668	10.7023	10.7016
Ex - Lowest redemption price per unit (Rs.)	9.9883	9.4903	10.6991	10.6943	10.0663	9.9553
Fiscal Year Opening Ex NAV	9.9858	9.4874	10.6964	10.6964	10.0640	9.9539
Total return of the fund	7.82%	13.32%	9.20%	5.33%	6.28%	7.51%
Capital growth	0.12%	0.22%	0.47%	0.00%	-0.45%	0.06%
Income distribution as % of Ex-NAV	7.70%	13.10%	8.73%	5.33%	6.74%	7.46%
Income distribution as % of Par Value	8.29%	14.06%	9.34%	5.70%	6.78%	7.97%
Interim distribution per unit	0.8285	1.4057	0.9343		0.6780	0.7971
Final distribution per unit	-	-	-	0.5704	-	
Distribution dates						
Interim	28-Jun-21	26-Jun-20	20-Dec-18		21-Jun-17	30-June-2016
Interim	-	-	24-Jun-19			
Final	-	-	-	4-Jul-18		
Average annual return (launch date 28-03-08)						
(Since inception to June 30, 2021)	8.38%					
(Since inception to June 30, 2020)		8.42%				
(Since inception to June 30, 2019)			8.10%			
(Since inception to June 30, 2018)				7.96%		
(Since inception to June 30, 2017)					8.20%	
(Since inception to June 30, 2016)						8.39%
(Since inception to June 30, 2015)						
(Since inception to June 30, 2014)						
Portfolio Composition (Please see Fund Manager Report)						
Weighted average portfolio duration	22 Days	180 Days		34 Days	30 Days	57 Days

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

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