



**NBP FUNDS**  
*Managing Your Savings*

**AM1**  
Rated by PACRA

**NBP SARMAYA IZAFI FUND**



**HALF YEARLY REPORT**  
**DECEMBER 31, 2019**



# MISSION STATEMENT

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



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# NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



**NBP FUNDS**  
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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

### Human Resource Committee

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

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Mr. Saad ur Rahman Khan	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Trustee

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

### Bankers to the Fund

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

## **NBP SARMAYA IZAFI FUND** (FORMERLY ; NAFA ASSET ALLOCATION FUND)



**NBP FUNDS**  
Managing Your Savings

### **Auditors**

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

### **Legal Advisor**

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

### **Head Office:**

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

### **Lahore Office:**

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

### **Islamabad Office:**

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

### **Peshawar Office:**

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

### **Multan Office:**

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

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Sarmaya Izafa Fund (NSIF) (Formerly: NAFA Asset Allocation Fund (NAAF))** for the half year ended December 31, 2019.

### Fund's Performance

The size of NBP Sarmaya Izafa Fund (Formerly: NAFA Asset Allocation Fund) has decreased from Rs. 1,769 million to Rs.1,436 million during the period, i.e. a decrease of 19%. During the period, the unit price of NBP Sarmaya Izafa Fund has increased from Rs. 14.4623 on June 30, 2019 to Rs. 17.0171 on December 31, 2019, thus showing an increase of 17.7%. The Benchmark increase during the same period was 20.1%. Thus, the Fund has underperformed its Benchmark by 2.4% during the period under review. Since inception the NAV of the Fund has increased from Rs. 4.7573 (Ex-Div) on August 20, 2010 to Rs. 17.0171 on December 31, 2019, thus showing an increase of 257.7%. During the said period, the Benchmark increased by 144.7%, translating into outperformance of 113.0%. This performance is net of management fee and all other expenses.

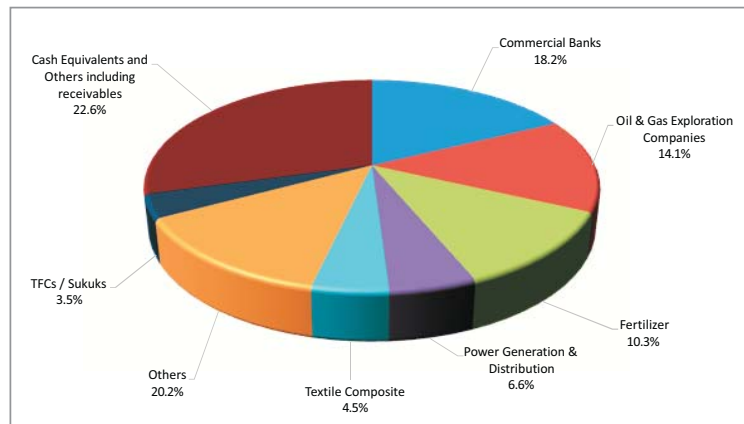
Reversing the negative trend of the last two years, the market staged a strong recovery as the benchmark KSE-100 Index surged by 20.2% during 1HFY2020, however the period was characterized with large swings. Despite flurry of positive developments that included accord of the IMF for USD 6 billion Extended Funds facility (EFF); commencement of Saudi oil facility worth USD 3.3 billion; and USD 500 million flow of funds from Qatar; the market started off the period under review on a frail note. The benchmark KSE-100 Index declined by around 15% by mid-August as investors remained concerned over slowdown in economic activity. The deteriorating Pakistan-India relations over repealing of article 370 in Kashmir by the latter triggered panic selling with the Index hitting multi-year low of 28,765 points on August 16, 2019. Consequently, the attractive valuations prompted value buying and the shift in investors' mood was also supported by improving macroeconomic indicators, mainly on external account front, as the current account deficit declined massively by 74% to USD 2.2 billion during 1HFY2020, from USD 8.6 billion in same period last year. Resumption of foreign currency inflows from multilateral donor agencies and portfolio inflows in government securities boosted the SBP's FX reserves to USD 11.3 billion, the highest level since April 2018. Sharply falling yields on the longer tenure government securities (PIBs), a harbinger to reversal of monetary tightening cycle also buoyed market sentiment. As a result, the market staged robust rally, surging by 41.6% from the bottom in mid-August, taking 1HFY2020 return to 20.2%.

In terms of sectoral performance, Engineering, Pharmaceuticals, Paper & Board, Chemicals and Transport out-performed the market, while Automobile, Commercial Banks, Power Generation & Distribution lagged behind. On the participant-wise activity, Individuals remained major buyers with net inflows of USD 140 million, along with Other Organizations that accumulated positions worth USD 14 million. On the other hand, Banks/DFIs, Mutual Funds, and Insurance were net sellers with net outflows to the tune of USD 91 million, USD 53 million, and USD 20 million, respectively.

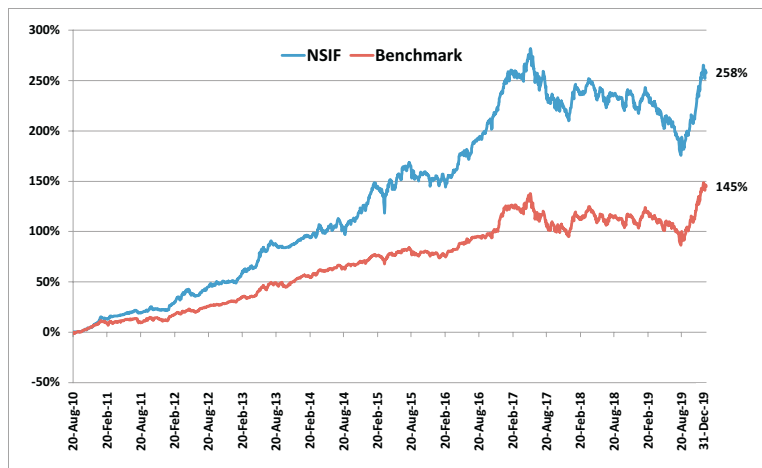
During 1HFY20, the State Bank of Pakistan (SBP) held three bi-monthly Monetary Policy Committee (MPC) meetings. To contain inflationary pressures, the SBP in its Monetary Policy Meeting in July 2019, increased the policy rate by 100bps to 13.25%. In the later two Monetary Policy Statements, the SBP left the Policy Rate unchanged despite uptick in inflation. The SBP held fourteen (14) T-Bill auctions during the period, realizing a total of Rs. 9,934 billion. T-Bills also started reflecting the market's expectation of peaking interest rate cycle and beginning of monetary easing cycle down the road as the cut-off yields in the last auction during the period under review for 3-month, 6-month and 12-month tenures were noted at 13.49%, 13.29%, and 13.13%, respectively. The trading in corporate debt securities was subdued with cumulative traded value of around Rs. 4.8 billion versus Rs. 6.3 billion in the same period last year. We have seen a plenty of fresh issuance of corporate bonds, notably from the Power sector for long-term financing.

The Fund has earned a total income of Rs. 247.12 million during the period. After deducting total expenses of Rs. 29.21 million, the net income is Rs. 217.92 million. The asset allocation of the Fund as on December 31, 2019 is as follows:

# NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



## NSIF Performance versus Benchmark (Since Inception)



### Acknowledgement

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

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

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

Chief Executive

Director

**Date: February 27, 2020**  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2019ء کو ختم ہونے والی ششماہی کے لئے NBP سرمایہ اضافہ فنڈ (سابقہ: NAFA ایسٹ ایلوکیشن فنڈ) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران NBP سرمایہ اضافہ فنڈ (سابقہ: NAFA ایسٹ ایلوکیشن فنڈ) کا فنڈ سائز 1,769 ملین روپے سے کم ہو کر 1,436 ملین روپے ہو گیا ہے یعنی 19% کی کمی ہوئی۔ اس مدت کے دوران، NBP سرمایہ اضافہ فنڈ کی یونٹ قیمت 30 جون 2019 کو 14.4623 روپے سے بڑھ کر 31 دسمبر 2019 کو 17.0171 روپے ہو گئی، جو 17.7% کا اضافہ ظاہر کر رہی ہے۔ اسی مدت کے دوران بیچ مارک میں 20.1% کا اضافہ ہوا۔ چنانچہ زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے بیچ مارک سے 2.4% اتر رہی۔ اپنے آغاز (20 اگست 2010) سے فنڈ کی NAV 4.7573 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2019 کو 17.0171 روپے ہو گئی، چنانچہ 257.7% کا اضافہ ہوا۔ اس مدت کے دوران بیچ مارک 144.7% سے بڑھا۔ لہذا فنڈ نے 113.0% سے بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

گذشتہ دو برسوں کے منفی رجحان کو ختم کرتے ہوئے مالی سال 2020 کی پہلی ششماہی میں مارکیٹ مستحکم ہوئی اور KSE-100 انڈیکس میں 20.2% فی صد اضافہ ہوا تاہم اس دوران مارکیٹ میں اتار چڑھاؤ آتے رہے۔ آئی ایم ایف سے 6 بلین ڈالر کے توسیعی قرضہ (EFF) کی منظوری، سعودی عرب سے 3.3 بلین ڈالر مالیت کی پٹرولیم مصنوعات کی فراہمی اور قطر سے 500 ملین ڈالر جیسی پُر جوش مثبت پیش رفت کے باوجود زیر جائزہ مدت کا آغاز سست روی کا شکار رہا۔ سرمایہ کاروں کا سست معاشی سرگرمیوں کے تحفظات کے باعث وسط اگست تک KSE-100 انڈیکس میں 15 فی صد کمی واقع ہوئی۔ کشمیر میں آڑھل 370 کے نفاذ پر پاک بھارت کشیدگی کی وجہ سے 16 اگست 2019ء کو انڈیکس گذشتہ برسوں کی کم ترین سطح 28,765 پوائنٹس تک پہنچ گیا۔ نتیجتاً، پُر کشش قیمتوں نے خریداری کی حوصلہ افزائی کی اور بہتر معاشی اشاروں نے سرمایہ کاروں کے مزاج میں تبدیلی کی جسکی بنیادی وجہ بیرونی اکاؤنٹ میں بہتری تھی جیسا کہ بڑے پیمانے پر کرنٹ اکاؤنٹ خسارہ مالی سال 2020 کی پہلی ششماہی کے دوران 74 فی صد کم ہوا یعنی 2.2 بلین ڈالر ہو گیا جو گذشتہ برس کی اسی مدت میں 8.6 بلین ڈالر تھا۔ کثیر طرفہ ڈونر ایجنسیوں سے غیر ملکی ترسیلات زر کا آغاز اور حکومتی سیکورٹیز کے پورٹ فولیو میں اضافہ کی وجہ سے اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر میں 11.3 بلین ڈالر تک اضافہ ہوا جو اپریل 2018ء سے بلند ترین سطح ہے۔ طویل مدتی حکومتی سیکورٹیز (PIB) میں تیزی سے کمی معاشی تناؤ کو ختم کرنے کا پیش خیمہ ثابت ہوا جس کی وجہ سے مارکیٹ میں استحکام آیا۔ نتیجتاً، وسط اگست میں مارکیٹ میں کم ترین سطح سے 41.6 فی صد کا مضبوط اضافہ دیکھا گیا اور مالی سال 2020 کی پہلی ششماہی میں مارکیٹ میں 20.2% فی صد اضافہ رہا۔

شعبہ جاتی کارکردگی کے تناظر میں انجینئرنگ، فارماسیوٹیکلز، کاغذ اور بورڈ، کیمیکلز اور ٹرانسپورٹ نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹوموبائل، کمرشل بینک، پاور جزییشن اور ڈسٹری بیوٹن نے ان کی پیروی کی۔ شریک دارسرگرمیوں کے تناظر میں انفرادی شرکت دار 140 ملین ڈالر کے مجموعی ان فلو کے ساتھ بڑے خریدار رہے جب کہ دیگر اداروں نے 14 ملین ڈالر کے ساتھ پوزیشن مستحکم کی۔ دوسری جانب، بینک/DFI، میوچل فنڈز اور انشورنس بالترتیب 91 ملین ڈالر، 53 ملین ڈالر اور 20 ملین ڈالر کے مجموعی آؤٹ فلو کے ساتھ بڑے فروخت کنندگان رہے۔

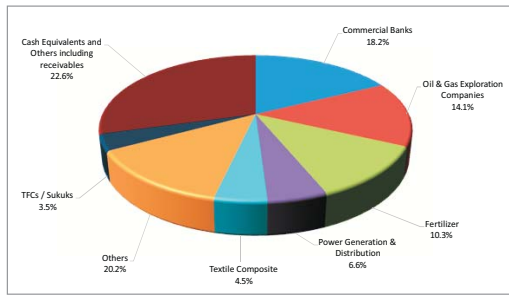
مالی سال 2020 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے تین دو ماہی معاشی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ مانیٹری پالیسی کے اجلاس میں پالیسی ریٹ کو 100bps کے اضافہ کے ساتھ 13.25 فی صد تک بڑھا دیا۔ دیگر دو مانیٹری پالیسی بیانات میں افراط زر میں اضافہ کے باوجود SBP نے پالیسی ریٹ کو مستحکم رکھا۔ اس مدت میں SBP نے چودہ (14) ٹی بل نیلامیوں سے 9,934 بلین روپے حاصل کئے۔



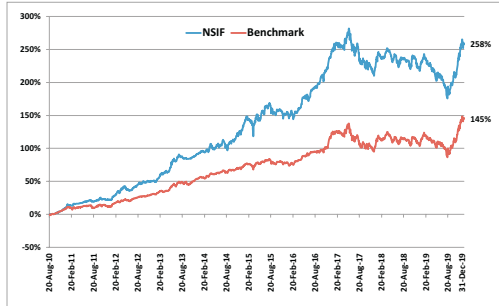
ٹی بلز کی وجہ سے شرح سود میں اضافہ کی منتہی کی توقعات پر اثر پڑا اور زیر جائزہ سہ ماہی، ششماہی اور سالانہ مدتوں کے دوران آخری نیلامی میں کٹ آف بیلیڈ بالترتیب 13.49 فی صد، 13.29 فی صد اور 13.13 فی صد رہی۔ کارپوریٹ ڈیٹ سیکورٹیز میں تجارت 4.8 بلین ڈالر مجموعی قدر کے ساتھ غالب رہی جو گذشتہ برس اسی مدت میں تھی۔ ہم نے طویل مدتی سرمایہ کاری کے لئے خصوصاً توانائی کے شعبہ سے نئے کارپوریٹ بانڈز کے اجراء کا رجحان دیکھا ہے۔

این بی پی سرمایہ اضافہ فنڈ نے مدت کے دوران 247.12 بلین روپے کی مجموعی آمدنی کمائی۔ 29.21 بلین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 217.92 بلین روپے ہے۔

31 دسمبر 2019 کو NBP سرمایہ اضافہ فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NSIF کی کارکردگی بمقابلہ بیچ مارک (اپنے قیام سے)



اظہار تشکر  
بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر 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 ڈسٹری بیوٹرز 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

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: فروری 27، 2020

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Sarmaya Izafa Fund [formerly NAFA Asset Allocation 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 for the period ended December 31, 2019 in accordance with the provisions of the following:

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

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

Karachi, February 26, 2020

## Independent Auditors' Review Report to the Unit Holders

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of NBP Sarmaya Izafa Fund (Formerly NAFA Asset Allocation Fund) (the Fund) as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to and forming part of the condensed interim financial statements for the half year ended December 31, 2019 (here-in-after referred to as the 'condensed interim financial statements'). NBP Fund Management Limited (the Management Company) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of Review

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

### Conclusion

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

### Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

**Deloitte Yousuf Adil**  
**Chartered Accountants**

**Engagement Partner**  
Naresh Kumar

**Date:** February 29, 2020  
**Place:** Karachi

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Bank balances	4	367,673	526,947
Investments	5	1,112,479	1,208,399
Mark-up accrued and dividend receivable		2,051	3,547
Receivable against sale of investments		-	80,315
Receivable against issuance of units		5,000	-
Deposits, prepayments and other receivables		3,295	3,393
<b>Total assets</b>		<b>1,490,498</b>	<b>1,822,601</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - Management Company	6	12,968	14,710
Payable to Central Depository Company of Pakistan Limited - Trustee	7	236	282
Payable to the Securities and Exchange Commission of Pakistan	8	144	2,551
Payable against redemption of units		112	-
Accrued expenses and other liabilities	9	40,699	35,661
<b>Total liabilities</b>		<b>54,159</b>	<b>53,204</b>
<b>NET ASSETS</b>		<b>1,436,339</b>	<b>1,769,397</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,436,339</b>	<b>1,769,397</b>
<b>Contingencies and commitments</b>	10	-----Number of units-----	
<b>Number of units in issue</b>		<b>84,405,575</b>	<b>122,345,244</b>
		-----Rupees-----	
<b>Net asset value per unit</b>		<b>17.0171</b>	<b>14.4623</b>

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

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>INCOME</b>				
Return / mark-up on:				
- Bank balances	26,304	39,085	6,069	26,999
- Term deposit receipts	5,915	12,696	5,915	6,802
- Debt / government securities	3,324	21,130	1,976	2,652
Net (loss) / gain on sale of investments	(3,809)	(35,085)	7,379	(28,011)
Dividend income	34,020	37,144	19,425	22,191
Net unrealised gain / (loss) on re-measurement of investments classified as fair value through profit or loss	181,369	(162,577)	222,723	(142,922)
<b>Total income / (loss)</b>	<b>247,123</b>	<b>(87,607)</b>	<b>263,487</b>	<b>(112,289)</b>
<b>EXPENSES</b>				
Remuneration of NBP Fund Management Limited				
- Management Company	6.1 11,080	30,130	5,358	14,334
Sindh Sales Tax on remuneration of the Management Company	1,440	3,917	696	1,864
Reimbursement of operational expenses to the Management Company	721	1,506	357	716
Selling and marketing expenses	6.2 8,009	6,026	4,226	2,867
Remuneration of Central Depository Company of Pakistan Limited				
-Trustee	7.1 1,224	2,011	609	969
Sindh Sales Tax on remuneration of the Trustee	7.2 159	261	79	126
Annual fee to the Securities and Exchange Commission of Pakistan	144	1,431	71	681
Securities transaction costs	795	1,724	397	1,163
Settlement and bank charges	546	278	301	64
Auditors' remuneration	430	410	240	286
Legal and professional charges	61	56	46	53
Fund rating fee	111	111	60	61
Annual listing fee	14	14	7	7
Printing charges	25	67	13	8
<b>Total expenses</b>	<b>24,759</b>	<b>47,942</b>	<b>12,460</b>	<b>23,199</b>
<b>Net income / (loss) from operating activities</b>	<b>222,364</b>	<b>(135,549)</b>	<b>251,027</b>	<b>(135,488)</b>
Provision for Sindh Workers' Welfare Fund	(4,447)	-	-	-
<b>Net income / (loss) for the period before taxation</b>	<b>217,917</b>	<b>(135,549)</b>	<b>251,027</b>	<b>(135,488)</b>
Taxation	11 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>217,917</b>	<b>(135,549)</b>	<b>251,027</b>	<b>(135,488)</b>
<b>Allocation of net income for the period</b>				
Net income / (loss) for the period after taxation	217,917	(135,549)	251,027	(135,488)
Income already paid on units redeemed	(18,451)	-	-	-
	<b>199,466</b>	<b>(135,549)</b>	<b>251,027</b>	<b>(135,488)</b>
<b>Accounting income available for distribution:</b>				
- Relating to capital gains	164,018	-	164,018	-
- Excluding capital gains	35,448	-	35,448	-
	<b>199,466</b>	<b>-</b>	<b>199,466</b>	<b>-</b>

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

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

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

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

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
----- Rupees in '000 -----				
Net income / (loss) for the period after taxation	<b>217,917</b>	(135,549)	<b>251,027</b>	(135,488)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>217,917</b>	(135,549)	<b>251,027</b>	(135,488)

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

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended December 31,					
	2019			2018		
	----- Rupees in '000 -----					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Net assets at beginning of the period	1,217,096	552,301	1,769,397	2,378,378	761,176	3,139,554
Issue of 7,309,866 units (2018: 19,665,122 units)						
- Capital value	105,717	-	105,717	311,371	-	311,371
- Element of income / (loss)	10,207	-	10,207	(185)	-	(185)
Total proceeds on issue of units	115,924	-	115,924	311,186	-	311,186
Redemption of 45,249,535 units (2018: 44,371,946 units)						
- Capital value	(654,412)	-	(654,412)	(702,572)	-	(702,572)
- Element of income / (loss)	5,964	(18,451)	(12,487)	8,803	-	8,803
Total payments on redemption of units	(648,448)	(18,451)	(666,899)	(693,769)	-	(693,769)
<b>Total comprehensive income for the period</b>	-	217,917	217,917	-	(135,549)	(135,549)
<b>Net assets at end of the period</b>	<b>684,572</b>	<b>751,767</b>	<b>1,436,339</b>	<b>1,995,795</b>	<b>625,627</b>	<b>2,621,422</b>
Undistributed income brought forward						
- Realised		753,682			919,266	
- Unrealised		(201,381)			(158,090)	
		552,301			761,176	
Accounting income available for distribution						
- Relating to capital gain	164,018			-		
- Excluding capital gains	35,448			-		
	199,466			-		
<b>Undistributed income carried forward</b>						
- Realised		570,398			788,204	
- Unrealised		181,369			(162,577)	
		751,767			625,627	
Net assets value per unit at beginning of the period		14.4623			15.8337	
Net assets value per unit at end of the period		17.0171			15.1024	

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

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

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

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

\_\_\_\_\_  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended	
	December 31, 2019	December 31, 2018
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net gain / (loss) for the period before taxation	217,917	(135,549)
<b>Adjustments:</b>		
Return / mark-up on:		
- bank balances	(26,304)	(39,085)
- term deposit receipts	(5,915)	(12,696)
- government securities	(3,324)	(21,130)
Net gain on sale of investments	3,809	35,085
Dividend income	(34,020)	(37,144)
Net unrealised gain / (loss) on re-measurement of investments classified as fair value through profit or loss	(181,369)	162,577
	(247,123)	87,607
<b>Decrease / (increase) in assets</b>		
Investments - net	273,480	27,234
Receivable against sale of investments	80,315	19,736
Deposits, prepayments and other receivables	98	(13)
	353,893	46,957
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(1,742)	(5,231)
Payable to the Trustee	(46)	(26)
Payable to the Securities and Exchange Commission of Pakistan	(2,407)	(1,736)
Payable against purchase of investment	-	14,556
Accrued expenses and other liabilities	5,038	675
	843	8,238
Mark-up received	37,039	73,759
Dividend received	34,020	40,083
	71,059	113,842
<b>Net cash generated from operating activities</b>	<b>396,589</b>	<b>121,095</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issue of units	110,924	311,186
Amounts paid on redemption of units	(666,787)	(693,769)
<b>Net cash used in financing activities</b>	<b>(555,863)</b>	<b>(382,583)</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(159,274)</b>	<b>(261,488)</b>
Cash and cash equivalents at the beginning of the period	526,947	1,487,039
<b>Cash and cash equivalents at the end of the period</b>	<b>367,673</b>	<b>1,225,551</b>

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

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2019**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

NBP Sarmaya Izafa Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 14, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

Last year on May 30, 2019, the name of the Fund was changed from NAFA Asset Allocation Fund to NBP Sarmaya Izafa Fund. The change of name was made effective vide Fund's Eleventh Supplemental Offering Document which was approved by SECP vide its letter no. SCD/AMCW/NAFA/362/2019 dated April 04, 2019.

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

The Fund is an open-ended mutual fund categorised as "asset allocation scheme" and its units are listed on Pakistan Stock Exchange Limited (PSX). Units of the Fund are offered for public subscription on a continuous basis. Units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintain an asset manager rating of 'AM1' to the Management Company as at December 24, 2019 and has assigned performance ranking of "4 star" to the Fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

- International Accounting Standard (IAS - 34) Interim Financial Reporting , issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 ; and
- The requirements of the Trust Deed , the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

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

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

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

This condensed interim financial information is presented in Pak Rupees which is the Fund's functional and presentation currency.

**3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN**

**3.1** The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

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

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

**3.4** There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2018 but other than IFRS 9, described in Note 3.6 considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial information.

**3.5** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2019.

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
-----Rupees in '000-----			
<b>4. BANK BALANCES</b>			
- Current accounts	4.1	<b>9,798</b>	18,150
- Savings accounts	4.2 & 4.3	<b>357,875</b>	508,797
		<b>367,673</b>	526,947

- 4.1** These include bank balance of Rs. 9.02 million (June 30, 2019: Rs. 14.29 million), maintained with National Bank of Pakistan (related party).
- 4.2** These savings accounts carry mark-up at rates ranging from 7.05% to 15.3% per annum (June 30, 2019: 4.5% to 13% per annum).
- 4.3** This includes bank balance of Rs. 35.54 million (June 30, 2019: Rs. 13.638 million), which is maintained with Bank Islami Pakistan, related party, and carries mark-up at the rate of 13.35% (June 30, 2019: 8.75%) per annum.

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
Note	-----Rupees in '000-----	

**5. INVESTMENTS**

**Financial asset at fair value through profit or loss**

- Listed equity securities	5.1	1,062,029	1,033,399
- Term deposit receipts		-	175,000
- Sukuks	5.2	50,450	-

**5.1 Listed equity securities**

<b>1,112,479</b>	<b>1,208,399</b>
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Name of the investee company	As at July 01, 2019	Purchased during the period	Bonus / right issue	Sold during the period	As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as percentage of paid up capital of investee company
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----- Number of shares ----- Rupees in '000 ----- % -----

All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited and K-Electric Limited which have a face value of Rs. 5 and Rs. 3.5 each respectively.

**OIL AND GAS MARKETING COMPANIES**

Attock Petroleum Limited (Refer 5.1.2)	15,400	-	-	-	15,400	5,695	0.40	0.51	0.15
Hascol Petroleum Limited (Refer 5.1.2)	1,861	-	-	-	1,861	50	-	-	0.01
Pakistan Slate Oil Company Limited (Refer 5.1.2)	142,257	76,500	24,851	132,500	111,108	21,293	1.48	1.91	2.84
Sui Northern Gas Pipelines Limited	262,700	301,000	-	158,000	405,700	30,902	2.15	2.78	0.64

**OIL AND GAS EXPLORATION COMPANIES**

Mari Petroleum Company Limited (Refer 5.1.2)	37,651	-	3,499	2,660	38,490	50,426	3.51	4.53	0.32
Oil and Gas Development Company Limited	583,900	115,000	-	311,000	387,900	55,206	3.84	4.96	0.09
Pakistan Oilfields Limited (refer 5.1.1 and 5.1.2)	79,820	39,000	-	40,300	78,520	35,077	2.44	3.15	0.28
Pakistan Petroleum Limited (refer 5.1.1 and 5.1.2)	416,474	173,500	84,595	219,500	455,069	62,408	4.34	5.61	0.20

**FERTILIZER**

Engro Corporation Limited	215,270	25,000	-	68,100	172,170	59,442	4.14	5.34	2.02
Engro Fertilizers Limited (refer 5.1.1)	631,500	193,500	-	281,500	543,500	39,909	2.78	3.59	0.41
Fauji Fertilizer Bin Qasim Limited	-	378,500	-	205,000	173,500	3,387	0.24	0.30	0.19
Fauji Fertilizer Company Limited	689,000	37,000	-	276,500	449,500	45,611	3.18	4.29	0.93

# NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



Name of the investee company	As at July 01, 2019	Purchased during the period	Bonus / right issue	Sold during the period	As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as percentage of paid up capital of investee company
	Number of shares					Rupees in '000	%		
<b>CHEMICALS</b>									
Engro Polymer & Chemicals Limited	645,357	608,000	-	245,000	1,008,357	33,488	2.33	3.01	1.52
Lotte Chemical Pakistan Limited	620,000	-	-	620,000	-	-	-	-	-
<b>FOOD AND PERSONAL CARE PRODUCTS</b>									
Rafhan Maize Products Limited	840	-	-	-	840	6,091	0.42	0.55	0.00
Matco Foods Limited (Refer 5.1.2)	1,250	-	-	-	1,250	30	-	-	-
<b>ENGINEERING</b>									
International Steels Limited	182,300	100,000	-	187,000	95,300	5,517	0.38	0.50	0.71
Amreli Steels Limited.	-	195,000	-	-	195,000	1,870	0.13	0.17	0.07
Mughal Iron & Steel Industries Limited	409,000	409,000	-	218,500	599,500	24,562	1.71	2.21	2.38
<b>CEMENT</b>									
D.G. Khan Cement Company Limited	1,100	118,000	-	37,000	82,100	6,098	0.42	0.55	0.18
Lucky Cement Limited	64,200	29,000	-	19,000	74,200	31,787	2.21	2.86	0.56
Maple Leaf Cement Factory Limited	7,950	-	-	7,950	-	-	-	-	-
Cherat Cement Company Limited	49,500	-	-	49,500	-	-	-	-	-
Kohat Cement Company Limited (Refer 5.1.2)	151,950	20,000	-	-	171,950	13,309	0.93	1.20	0.13
Fauji Cement Company Limited	16,500	334,000	-	150,000	200,500	3,120	0.22	0.28	0.95
Nishat Mills Limited	163,500	91,000	-	24,500	230,000	24,412	1.70	2.19	0.02
Gul Ahmed Textile Mills Limited	822,300	-	94,760	478,500	438,560	18,906	1.32	1.70	0.03
Nishat (Chunian) Limited	271,000	-	-	205,500	65,500	2,794	0.19	0.25	0.00
Interloop Limited	162,177	-	-	-	162,177	9,414	0.66	0.85	0.00
Kohinoor Textile Mills Limited (Refer 5.1.2)	246,194	-	-	-	246,194	9,619	0.67	0.86	1.85
<b>POWER GENERATION AND DISTRIBUTION</b>									
The Hub Power Company Limited	792,187	80,000	-	93,000	779,187	72,737	5.06	6.54	0.07
Saif Power Limited	93,000	-	-	-	93,000	1,949	0.14	0.18	0.31
Lalpir Power Limited	866,000	-	-	-	866,000	12,566	0.87	1.13	2.15
Pakgen Power Limited	274,500	-	-	-	274,500	5,029	0.35	0.45	0.91
K-Electric Limited	1,125,000	600,000	-	1,100,000	625,000	2,731	0.19	0.25	-
<b>COMMERCIAL BANKS</b>									
Allied Bank Limited	369,701	-	-	246,000	123,701	11,826	0.82	1.06	0.01
Bank Al-falah Limited (Refer 5.1.2)	1,252,950	82,500	-	207,000	1,128,450	51,570	3.59	4.64	0.07
Bank Al-Habib Limited (Refer 5.1.1)	713,150	-	-	254,000	459,150	34,969	2.43	3.14	0.04
MCB Bank Limited	135,700	33,000	-	-	168,700	34,573	2.41	3.11	0.01
United Bank Limited	430,603	-	-	99,500	331,103	54,466	3.79	4.90	0.03
Faysal Bank Limited	280,663	-	-	13,500	267,163	5,081	0.35	0.46	0.01
Habib Bank Limited	363,067	27,000	-	23,000	367,067	57,784	4.02	5.19	0.03
Askari Bank Limited	214,500	-	-	81,500	133,000	2,466	0.17	0.22	0.01
Bank of Punjab	1,106,500	297,000	-	1,034,000	369,500	4,186	0.29	0.38	0.03
National Bank of Pakistan	102,500	-	-	-	102,500	4,438	0.31	0.40	0.01
<b>PAPER AND BOARD</b>									
Century Paper and Board Mills Limited	248,000	-	-	-	248,000	12,569	0.88	1.13	0.30
Cherat Packaging Limited (Refer 5.1.2)	151,263	-	8,726	64,000	95,989	11,656	0.81	1.05	0.21
Packages Limited	-	14,000	-	-	14,000	5,582	0.39	0.50	0.03

# NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



Name of the investee company	As at July 01, 2019	Purchased during the period	Bonus / right issue	Sold during the period	As at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as percentage of paid up capital of investee company
	----- Number of shares -----					Rupees in '000	----- % -----		
<b>AUTOMOBILE ASSEMBLER</b>									
Indus Motor Company Limited	1,330	-	-	361	969	1,126	0.08	0.10	0.01
Millat Tractors Limited	-	17,600	-	-	17,600	12,398	0.86	1.11	0.13
Honda Atlas Cars Pakistan Limited	-	100	-	-	100	22	-	-	-
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>									
Baluchistan Wheels Limited	7,500	-	-	-	7,500	497	0.03	0.04	0.01
<b>TECHNOLOGY AND COMMUNICATION</b>									
Systems Limited	151,250	6,000	-	63,000	94,250	11,715	0.82	1.05	0.31
Pakistan Telecommunication Company Limited	699,000	-	-	-	699,000	6,543	0.46	0.59	2.32
Netsol Technology Limited	184,500	-	-	20,000	164,500	10,834	0.75	0.97	0.54
<b>GLASS AND CERAMICS</b>									
Tariq Glass Industries Limited	165,300	-	-	-	165,300	17,687	1.23	1.59	0.55
<b>PHARMACEUTICALS</b>									
The Searle Company Limited (Refer 5.1.2)	415	9,000	-	-	9,415	1,777	0.12	0.16	0.07
Highnoon Laboratories Limited	8,140	-	-	-	8,140	4,373	0.30	0.39	0.02
AGP Limited	-	10,000	-	-	10,000	994	0.07	0.09	0.02
<b>SYNTHETIC PRODUCTS</b>									
Synthetic Products Enterprises Limited	27,000	-	1,080	-	28,080	980	0.07	0.09	0.09
<b>INSURANCE PRODUCTS</b>									
Adamjee Insurance Company Limited	154,000	-	-	-	154,000	6,482	0.45	0.58	0.08
<b>Total as at December 31, 2019</b>	<b>16,808,670</b>	<b>4,419,200</b>	<b>217,511</b>	<b>7,236,371</b>	<b>14,209,010</b>	<b>1,062,029</b>			
<b>Carrying value before mark to market as at December 31, 2019</b>						<b>881,109</b>			

**5.1.1** Investments include shares with market value of Rs. 47.5 million (June 30, 2019: Rs. 50.96 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP.

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

**5.2 Sukuks**

Name of the investee company	Number of certificates				Market value / carrying value as at December 31, 2019 Rs in '000	Investment as a percentage of		
	As at July 1, 2019	Purchased during the year	Matured during the year	As at December 31, 2019		Net assets	Market value of total investments	Issue size

All term finance certificates have a face value of Rs. 100,000 each unless stated otherwise.

Hub power company sukuk-2	-	500	-	500	50,450	0.04	0.05	0.01%
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Carrying value before mark to market as at December 31, 2019 50,000

(Un-audited) (Audited)  
December 31, June 30,  
2019 2019

Note -----Rupees in '000-----

**6. PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Remuneration of the Management Company	6.1	1,859	3,355
Sindh Sales Tax on remuneration of the Management Company		242	436
Operational expenses		357	1,178
Selling and marketing expenses	6.2	4,227	4,714
Sales load and transfer load		2,256	1,145
Sindh Sales Tax and FED on sales load		4,027	3,882
		<u>12,968</u>	<u>14,710</u>

6.1 Below is the policy of charging Management remuneration effective from July 12, 2019:

Current level of Management Fee is 1.5% p.a. of Net Assets.

6.2 The SECP through its Circular No. SCD/PRDD/Circular/394/2018 (Circular No. 5 of 2018) dated June 04, 2018 allowed charging selling and marketing expenses to all categories of mutual funds (except fund of funds and money market funds). The AMC is allowed to charge these expenses subject to the approval of the Board. In current period SECP through its Circular No. 11 of 2019 dated July 5, 2019, has now removed ceiling of 0.4% for the chargeability of "Selling and Marketing Expenses" on all open end funds (except "Fund of Funds"). In addition to the requirement of Board approval, now these expenses to be paid to AMC on reimbursement basis and subject to approval of the Trustee.

In pursuance of above circular, the Board has approved the limits to be charged in respect of these expenses. Accordingly effective from July 12, 2019, selling and marketing has been changed from 0.4% to 1.15% of daily net asset value of the Fund. Considering the actual expenses, the Board has approved the maximum limits on December 14, 2019, thereby, allowing management to change the percentages within limits. Consequently, management has further changed the limit from 1.15% to 1.35%.

(Un-audited) (Audited)  
December 31, June 30,  
2019 2019

Note -----Rupees in '000-----

**7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

Remuneration of the Trustee	7.1	209	250
Sindh Sales Tax on remuneration of the Trustee	7.2	27	32
		<u>236</u>	<u>282</u>

- 7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund, based on the net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

Tariff structure applicable to the Fund till June 30, 2019 is as follows:

Net asset value	Tariff per annum
Up to Rs 1,000 million	0.15% per annum of net asset value
On an amount exceeding Rs. 1,000 million to 10,000 million	Rs 1.5 million plus 0.075% per annum of net asset value exceeding Rs 1,000 million
On an amount exceeding Rs. 10,000 million	Rs 8.25 million plus 0.06% per annum of net asset value exceeding Rs 10,000 million.

Effective from July 1, 2019, tariff structure has been revised from above table to actual custodial expenses / charges plus 0.065% per annum of average net assets.

- 7.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2018: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

## 8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "asset allocation" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan an amount equal to 0.02% (June 30, 2019: 0.075%) of the average net assets of the fund. The fee is paid annually in arrears.

## 9. ACCRUED EXPENSES AND OTHER LIABILITIES

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	-----Rupees in '000-----	
Auditors' remuneration		497	542
Federal Excise Duty on remuneration of the Management Company	9.1	16,000	16,000
Provision for Sindh Workers' Welfare Fund	9.2	19,884	18,468
Brokerage charges		232	103
Settlement charges		234	99
Withholding tax		23	92
Capital gain tax		424	2
Legal and professional charges		29	1
Printing charges		66	112
Others		3,310	241
		<b>40,699</b>	<b>35,661</b>

- 9.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is same as disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal, filed by tax authorities against the order in the Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to December 31, 2016 aggregating to Rs. 16 million. Had the provision not been retained, Net Asset Value (NAV) per unit of the Fund as at December 31, 2019 would have been higher by Rs. 0.1895 per unit (June 30, 2019: Rs. 0.1308 per unit).

- 9.2** The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 16 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

As at December 31, 2019 the provision for SWWF amounted to Rs. 19.884 million (June 30, 2019: Rs. 18.468 million). Had the provision not being made, the Net Asset Value (NAV) per unit as at December 31, 2019 would have been higher by Rs. 0.2355 (June 30, 2019: Rs. 0.1510 per unit)."

## **10. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at December 31, 2019 and June 30, 2019.

## **11. TAXATION**

The Fund's income is exempt from Income Tax as per Clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Excluding distribution made by issuance of bonus units, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90% of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

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

## **12. TOTAL EXPENSE RATIO**

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 4.06% (June 30, 2019: 3.22%) per annum including 0.86% (June 30, 2019: 0.38%) representing government levies on collective investment scheme such as Sales tax and Securities and exchange commission of Pakistan fee for the period. However, as per SECP SRO 639 (I) / 2019 dated June 20, 2019, total expense ratio has been limited to 4.5% for asset allocation scheme

## **13. TRANSACTION WITH CONNECTED PERSONS AND RELATED PARTIES**

- 13.1** Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund Management Limited being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 13.2** The transactions with connected persons and related parties are carried at agreed rates and terms.
- 13.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 13.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.



----- (Un-audited) -----  
Half year ended  
December 31, December 31,  
2019 2018  
----- Rupees in '000 -----

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

**NBP Fund Management Limited - Management Company**

Remuneration of the Management Company	11,080	30,130
Sindh Sales Tax on remuneration of the Management Company	1,440	3,917
Reimbursement of operational expenses to the Management Company	721	1,506
Selling and marketing expenses	8,009	6,026
Sales load and related Sindh Sales Tax and Federal Excise Duty	1,256	3,888
Units redeemed / transferred out Nil Units (2018: 2,440,207 units)	-	38,526

**Central Depository Company of Pakistan Limited (Trustee)**

Remuneration of the Trustee	1,224	2,011
Sindh Sales Tax on remuneration of the Trustee	159	261
CDS charges	39	52

**\*National Clearing Company of Pakistan (Common directorship)**

NCCPL Charges	334	-
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**\*Pakistan Stock Exchange (Common directorship)**

Listing fee	14	-
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**Employees of the Management Company**

Units issued / transferred in 72,174 units (2018: 41,162 units)	1,202	649
Units redeemed / transferred out 97,963 units (2018: 52,984 units)	1,608	851

**Portfolios managed by the Management Company**

Units issued / transferred in Nil units (2018: 1,330,361)	-	21,132
Units redeemed / transferred out 1,600,563 units (2018: 17,452,650 Units)	24,320	27,830

**Mr. Khalid Mehmood - CFO**

Units redeemed / transferred out Nil Units ( 2018: 44,738 Units )	-	700
---	---	-----

**\*\*Cherat Cement Limited  
(Common Directorship)**

Ordinary shares sold Nil shares (2018: 181,900 shares)	-	11,726
Dividend income	-	588

**International Industries Limited (Common directorship with the Management Company)**

Ordinary shares purchased Nil shares (2018: 86,000 shares)	-	14,014
Ordinary shares sold Nil shares (2018:137,800 shares)	-	25,886
Dividend income	-	293

# NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



	----- (Un-audited) ----- Half year ended	
	December 31, 2019	December 31, 2018
	----- Rupees in '000 -----	
<b>International Steels Limited (Common Directorship)</b>		
Ordinary shares purchased 100,000 shares (2018: 231,300 shares)	3,987	20,550
Ordinary shares sold 187,000 shares (2018: 224,500 shares)	7,492	17,393
Dividend income	219	713
<b>**Cherat Packaging Limited (Common Directorship)</b>		
Ordinary shares Purchased Nil shares (2018: 156,300 shares)	-	25,782
Dividend income	-	20
<b>Gul Ahmed Textile Mills Limited (Common Directorship)</b>		
Ordinary shares purchased Nil shares (2018: 309,500 shares)	-	14,204
Ordinary shares sold 478,500 shares (2018: 143,000 shares)	20,144	6,147
Dividend income	1,185	1,657
<b>*Fauji Fertilizer Company Limited (Common Directorship)</b>		
Ordinary shares purchased 37,000 shares (2018: Nil shares)	3,599	-
Ordinary shares sold 276,500 shares (2018: Nil shares)	26,480	-
Dividend income	1,932	-
<b>*Hub Power Company Limited (Common Directorship)</b>		
Ordinary shares purchased 80,000 shares (2018: Nil shares)	5,275	-
Ordinary shares sold 93,000 shares (2018: Nil shares)	6,886	-
Sukuk purchased 8,150 units (2018: Nil units)	50,450	-
<b>**Askari Bank Limited (Common Directorship)</b>		
Ordinary shares sold: Nil shares (2018: 787,000 shares)	-	18,052
<b>Taurus Securities Limited (Subsidiary of Parent of the Management Company)</b>		
Brokerage paid	50	-

\* Previous period balances with these parties have not been disclosed as they were not connected persons and related parties in previous period

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

## NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	----- Rupees in '000 -----	
<b>13.6 Amounts outstanding as at period / year end are as follows:</b>		
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	1,859	3,355
Sindh Sales Tax on remuneration of the Management Company	242	436
Operational expenses	357	1,178
Selling and Marketing expenses - Management Company	4,227	4,714
Sales load and transfer load	2,256	1,145
Sindh Sales tax and Federal Excise Duty on sales load	4,027	3,882
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	209	250
Sindh sales tax on remuneration of the Trustee	27	32
CDS charges	65	50
Security deposit	100	100
<b>*National Clearing Company of Pakistan (Common directorship)</b>		
NCCPL Charges payable	170	-
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank balances	9,020	14,294
<b>International Steels Limited (Common Directorship)</b>		
Ordinary shares held 95,300 (June 2019: 182,300 shares)	5,517	7,239
<b>**Cherat Packaging Limited (Common Directorship)</b>		
Ordinary shares held: Nil (June 2019: 151,263 shares)	-	12,198
<b>Gul Ahmed Textile Mills Limited (Common Directorship)</b>		
Ordinary shares held 438,560 (June 2019: 822,300 shares)	18,906	38,747
<b>*Fauji Fertilizer Company Limited (Common Directorship)</b>		
Ordinary shares held 449,500 (June 2019: Nil shares)	45,611	-
<b>*Hub Power Company Limited (Common Directorship)</b>		
Ordinary shares held: 779,187 (June 2019: Nil shares)	72,737	-
Sukuk held: 8,150 units (June 2019: Nell units)	50,450	-
<b>Summit Bank Limited (Common Directorship)</b>		
Bank balances	-	3,856
<b>**Askari Bank Limited (Common Directorship)</b>		
Bank balances	-	514
Markup accrued on bank balances	-	4
<b>BankIslami Pakistan Limited (Common Directorship)</b>		
Bank balances	35,540	337,793
Markup accrued on bank balances	112	391
<b>Mr. Khalid Mehmood - CFO</b>		
Investment held in the Fund 19 units (June 2019: 19 units)	-	-

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	----- Rupees in '000 -----	
<b>Employees of the Management Company</b>		
Investment held in the Fund 8,340 units (June 2019: 34,129 units)	142	494
<b>Taurus Securities Limited (Subsidiary of Parent of the Management Company)</b>		
Brokerage payable	19	-
<b>Portfolios managed by the Management Company</b>		
Units held 1,183,387 units (June 2019 : 935 units)	20,138	14

\* Previous period balances with these parties have not been disclosed as they were not connected persons and related parties in previous period

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

#### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

##### Fair value hierarchy:

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 (that is, as prices) or indirectly (that is, derived from prices)."

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

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

	Note	Carrying amount			Fair value		
		At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3
December 31, 2019							
----- Rupees in '000 -----							
<b>Financial assets measured at fair value</b>							
Listed equity securities	5	1,062,029	-	1,062,029	1,062,029	-	1,062,029
Sukuk		50,450	-	50,450	-	50,450	50,450
		<b>1,112,479</b>	<b>-</b>	<b>1,112,479</b>	<b>1,062,029</b>	<b>50,450</b>	<b>1,112,479</b>
<b>Financial assets not measured at fair value</b>							
Bank balances	4	-	367,673	367,673	-	-	-
Accrued interest and dividend receivable		-	2,051	2,051	-	-	-
Deposits and other receivables		-	8,295	8,295	-	-	-
		<b>-</b>	<b>378,019</b>	<b>378,019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	6	-	12,968	12,968	-	-	-
Remuneration payable to the Trustee	7	-	236	236	-	-	-
Net assets attributable to redeemable units		-	112	112	-	-	-
Accrued expenses and other liabilities	9	-	4,368	4,368	-	-	-
		<b>-</b>	<b>17,684</b>	<b>17,684</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NBP SARMAYA IZAFI FUND (FORMERLY ; NAFA ASSET ALLOCATION FUND)



	Carrying amount			Fair value			
	At Fair value through profit or loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2019	----- Rupees -----						
<b>Financial assets measured at fair value</b>							
Listed equity securities	1,033,399	-	1,033,399	1,033,399	-	-	1,033,399
Term deposits receipts	175,000	-	175,000	-	175,000	-	175,000
	<u>1,208,399</u>	<u>-</u>	<u>1,208,399</u>	<u>1,033,399</u>	<u>175,000</u>	<u>-</u>	<u>1,208,399</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	526,947	526,947	-	-	-	-
Receivable against sale of investment	-	80,315	80,315	-	-	-	-
Dividend receivable	-	203	203	-	-	-	-
Accrued interest on bank balances	-	3,344	3,344	-	-	-	-
Deposits and other receivables	-	3,393	3,393	-	-	-	-
	<u>-</u>	<u>614,202</u>	<u>614,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	14,710	14,710	-	-	-	-
Remuneration payable to the Trustee	-	282	282	-	-	-	-
Net assets attributable to redeemable units	-	3,140	3,140	-	-	-	-
Accrued expenses and other liabilities	-	1,098	1,098	-	-	-	-
	<u>-</u>	<u>19,230</u>	<u>19,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 15. GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

15.3 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 have not been reviewed.

## 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 27, 2020 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director

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## 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@nbpffunds.com](mailto:info@nbpffunds.com)

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

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