

NBP ISLAMIC MAHANA AMDANI FUND



QUARTERLY REPORT
MARCH 31, 2020



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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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

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

Auditors

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

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Islamic Mahana Amdani Fund** (NIMAF) (Formerly: NBP Aitemaad Mahana Amdani Fund) (NAMAF) for the period ended March 31, 2020.

Fund's Performance

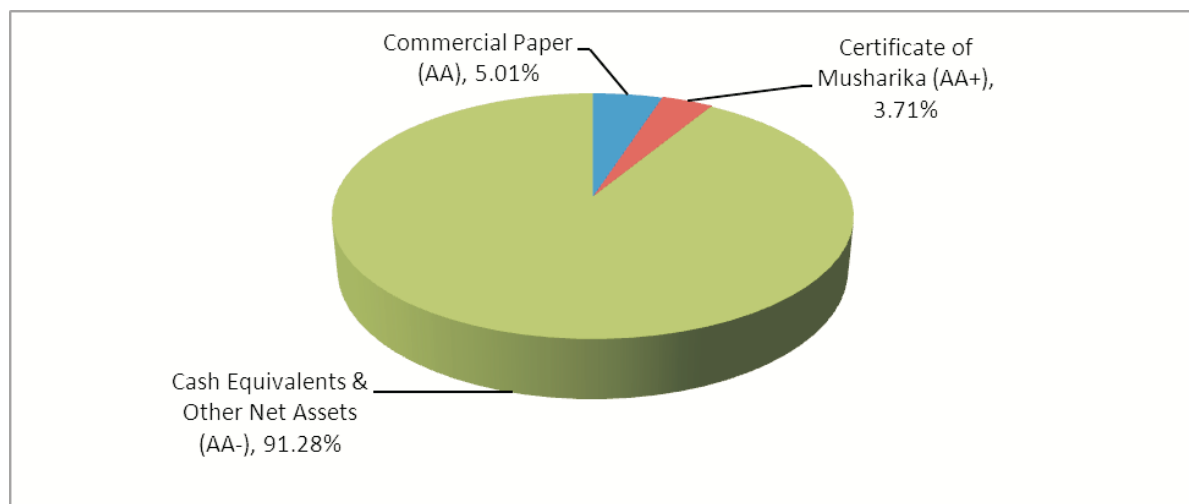
The size of NBP Islamic Mahana Amdani Fund has increased from Rs. 8,556 million to Rs. 26,932 million during the period (i.e. a significant growth of 215%). During the period, the unit price of the Fund has increased from Rs. 9.9262 (Ex-Div) on June 30, 2019 to Rs. 10.8772 on March 31, 2020, thus showing return of 12.7% as compared to its benchmark return of 6.3% for the same period. The performance of the Fund is net of management fee and other expenses.

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

During the period under review, the market witnessed issuance of a decent size of corporate sukuks and Shariah Compliant commercial papers to meet the increasing funding need for fixed capital investments and working capital, respectively. In the secondary market, the trading activity in corporate sukuks remained around Rs. 19 billion compared to Rs. 9 billion, during the same period last year.

During 9MFY20, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings. In its first meeting in July 2019, the Policy Rate was increased by 100bps to 13.25% with the objective to curtail inflationary pressure. Thenceforth the central bank maintained tight monetary policy stance and left the key benchmark rate unchanged in the subsequent three MPC meetings. In its meeting on March 17th, 2020 and again on March 24th, 2020 the SBP slashed the Policy Rate by a cumulative 225bps to 11%; owing to improved inflation outlook, sharp fall in the global oil prices, and economic fallout from the Coronavirus pandemic.

The Fund has earned a total income of Rs. 1,684.017 million during the period. After deducting for total expenses of Rs. 175.732 million, the net income is Rs. 1,508.285 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMAF.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 0.966% of the opening ex-NAV (0.968% of the par value) during the period ended March 31, 2020.

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: **April 27, 2020**

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2020ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (سابقہ: NBP) اعتماد ماہانہ آمدنی فنڈ (NIMAF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 8,556 ملین روپے سے بڑھ کر 26,932 ملین روپے ہو گیا ہے یعنی 215% کا نمایاں اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.9262 روپے (EX-Div) سے بڑھ کر 31 مارچ 2020ء کو 10.8772 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک 6.3% کے مقابلے میں 12.7% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

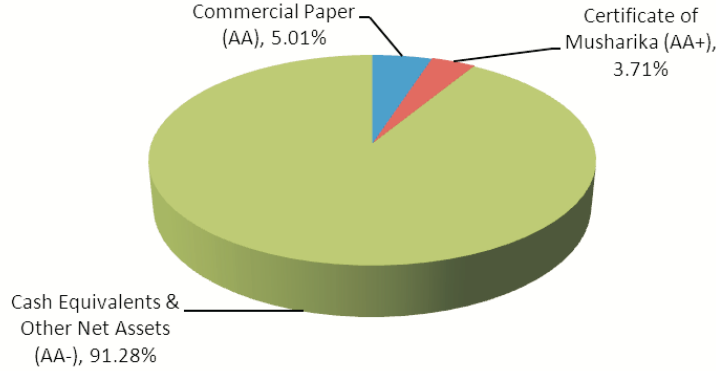
NIMAF شریعت کے مطابق انکم فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شرعی مطابقت پذیر منی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کر کے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی-A، جبکہ فنڈ اسلامی بینکوں، اسلامی شاخوں اور ایچ بی بینکوں کی وٹڈ و آسان فراہمی کرنے کے ساتھ سرمایہ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

زیر جائزہ مدت کے دوران، مارکیٹ میں بالترتیب فیکسڈ کیپٹل سرمایہ کاری اور روکنگ کیپٹل سرمایہ کاری کے لئے بڑھتی ہوئی فنڈنگ کی ضروریات کو پورا کرنے کے لئے کارپوریٹ سکوک اور شریعہ کمپلیٹ کمرشل پیپرز کے ایک معقول سائز کے اجراء کا مشاہدہ کیا گیا۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارت 19 ملین روپے رہی جو کہ گذشتہ سال کی اسی مدت کے دوران 9 ملین روپے تھی۔

مالی سال 2020 کی نو ماہی میں اسٹیٹ بینک آف پاکستان نے چھ ماہی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ ماہی پالیسی کے اپنے پہلے اجلاس میں پالیسی کی شرح کو بحساب 100bps سے بڑھا کر 13.25 فی صد کر دیا۔ اس کے بعد مرکزی بینک نے سخت معاشی پالیسی کا موقف برقرار رکھا اور اس کے بعد ہونے والی تین MPC اجلاسوں میں کلیدی معیار تبدیل نہیں کیا۔ 17 مارچ، 2020 کو اور پھر 24 مارچ، 2020 کو اپنے اجلاس میں اسٹیٹ بینک نے افراط زر کی صورتحال میں بہتری، تیل کی عالمی قیمتوں میں تیزی سے کمی اور کورونا وائرس وبائی مرض سے معاشی خرابی کی وجہ سے پالیسی کی شرح میں بحساب 225bps سے کمی کر کے مجموعی طور پر 11 فیصد کر دیا۔

فنڈ نے موجودہ مدت کے دوران 1,684.017 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 175.723 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1,508.285 ملین روپے ہے۔

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



آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 0.966% (par value کا 0.968%) عبوری نقد ڈیویڈنڈ منظور کیا۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میٹجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈ اسٹیٹس 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 سٹریٹجی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ میٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2020ء

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2020

	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
(Rupees in '000)			
Assets			
Bank balances	4	24,447,914	6,633,350
Investments	5	2,348,986	1,891,327
Profit receivable		283,960	62,027
Preliminary expenses and floatation costs		706	857
Receivable against transfer of sale		4,885	-
Deposits, prepayments and other receivables		2,896	2,836
Total assets		27,089,347	8,590,397
Liabilities			
Payable to the Management Company		68,584	19,000
Payable to the Trustee		1,921	608
Payable to Securities and Exchange Commission of Pakistan		2,491	1,259
Payable against redemption of units		31,942	-
Accrued expenses and other liabilities		52,884	13,758
Total liabilities		157,822	34,625
Net assets		26,931,525	8,555,772
Unit holders' funds (As per Statement attached)		26,931,525	8,555,772
Contingencies and commitments	7		
(Number of units)			
Number of units in issue		2,475,959,762	853,643,044
(Rupees)			
Net asset value per unit		10.8772	10.0227

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

Note	Nine Months Ended March 31, 2020	For the period from October 07, 2018 To March 31, 2019	Quarter Ended March 31, 2020	Quarter Ended March 31, 2019
Rupees in '000				
Income				
Income on sukuk certificates	11,916	-	-	-
Income on commercial papers	162,009	3,634	77,410	3,634
Income on term deposit receipts	205,402	-	75,511	-
Income on certificate of musharika	24,322	-	24,322	-
Profit on bank deposits	1,280,368	38,903	585,140	34,762
Total income	1,684,017	42,537	762,383	38,396
Expenses				
Remuneration of the Management Company	26,916	2,829	11,418	2,572
Sindh Sales Tax on remuneration of the Management Company	3,499	368	1,484	335
Allocated expenses	12,455	392	5,701	352
Selling and marketing expenses	85,312	-	39,909	-
Remuneration of the Trustee	9,341	540	4,276	471
Sales Tax on remuneration of the Trustee	1,214	70	556	61
Annual fees to the Securities and Exchange Commission of Pakistan	2,491	294	1,140	264
Amortisation of preliminary expenses and floatation costs	151	96	50	49
Settlement and bank charges	1,240	212	275	180
Auditors' remuneration	466	298	87	135
Annual rating fee	112	103	43	62
Shariah advisory fee	1,644	61	546	54
Listing fee	21	13	7	7
Printing charges	59	18	7	9
Legal and professional charges	30	24	10	13
Total expenses	144,951	5,318	65,509	4,564
Net income from operating activities	1,539,066	37,219	696,874	33,832
Provision for Sindh Workers' Welfare Fund	(30,781)	(744)	(13,937)	(676)
Net income for the period before taxation	1,508,285	36,475	682,937	33,156
Taxation	-	-	-	-
Net income for the period after taxation	1,508,285	36,475	682,937	33,156
Allocation of Net income for the period:				
Net income for the period	1,508,285	36,475	682,937	33,156
Income already paid on units redeemed	(431,391)	(909)	(190,581)	(672)
	1,076,894	35,566	492,356	32,484
Accounting Income available for distribution:				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	1,076,894	35,566	492,356	32,484
	1,076,894	35,566	492,356	32,484

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020	For the period from October 07, 2018 To March 31, 2019	Quarter Ended March 31, 2020	Quarter Ended March 31, 2019
	Rupees in '000'			
Net income for the period after taxation	1,508,285	36,475	682,937	33,156
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,508,285	36,475	682,937	33,156

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020			For the period from October 07, 2018 to March 31, 2019		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
	(Rupees in '000)					
Net Assets at beginning of the year	8,538,068	17,704	8,555,772	-	-	-
Issuance of 4,769,916,460 units (2019 : 1,190,108,202 units)						
- Capital value	47,804,580		47,804,580	3,427,579	-	3,427,579
- Element of Income	2,050,096		2,050,096	13,213	-	13,213
Total proceeds on issuance of units	49,854,676	-	49,854,676	3,440,792	-	3,440,792
Redemption of 3,147,599,742 units (2019 : 803,246,075 units)						
- Capital value	(31,545,559)		(31,545,559)	(348,871)	-	(348,871)
- Element of (Loss)	(937,358)	(431,391)	(1,368,749)	(288)	(909)	(1,197)
Total payments on redemption of units	(32,482,917)	(431,391)	(32,914,308)	(349,159)	(909)	(350,068)
Total comprehensive Income for the period	-	1,508,285	1,508,285	-	36,475	36,475
Interim Cash distribution						
- Nil (2019 : Re. 0.0464 per unit declared on October 29,2018)	-	-	-	(110)	(547)	(657)
- Nil (2019 : Re. 0.0627 per unit declared on November 28,2018)	-	-	-	(121)	(891)	(1,012)
- Nil (2019 : Re. 0.0727 per unit declared on December 28,2018)	-	-	-	(576)	(1,367)	(1,943)
- Nil (2019 : Re. 0.0789 per unit declared on January 28,2019)	-	-	-	(2,843)	(3,259)	(6,102)
- Nil (2019 : Re. 0.0756 per unit declared on February 26,2019)	-	-	-	(3,705)	(8,856)	(12,561)
- Nil (2019 : Re. 0.0792 per unit declared on March 28,2019)	-	-	-	(5,479)	(17,548)	(23,027)
- @ Re. 0.0006 per unit date of declaration on July 19, 2019 (2019 : Nil)	-	(519)	(519)	-	-	-
- @ Re. 0.0968 per unit date of declaration on July 30, 2019 (2019 : Nil)	(13,911)	(58,470)	(72,381)	-	-	-
	(13,911)	(58,989)	(72,900)	(12,834)	(32,468)	(45,302)
Net assets at end of the period	25,895,916	1,035,609	26,931,525	3,078,799	3,098	3,081,897
Undistributed Income brought forward						
Realized		17,704			-	
Unrealized		-			-	
		17,704			-	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		1,076,894			35,566	
		1,076,894			35,566	
Interim cash distribution		(58,989)			(32,468)	
Undistributed income carried forward		1,035,609			3,098	
Undistributed income carried forward						
- Realised Income		1,035,609			3,098	
- Unrealised Income		-			-	
		1,035,609			3,098	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.0227			10.0000
Net assets value per unit at end of the period			10.8772			10.0104

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020	For the period from October 07, 2018 to March 31, 2019
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,508,285	36,475
Adjustments for:		
Provision for Sindh Workers' Welfare Fund	30,781	744
Amortisation of preliminary expenses and floatation costs	151	96
	1,539,217	37,315
Increase in assets		
Investments	(457,659)	(278,211)
Profit receivable	(221,933)	(19,987)
Preliminary expenses and floatation costs	-	(1,004)
Deposits, prepayments and other receivables	(60)	(1,065)
	(679,652)	(300,267)
Increase in liabilities		
Payable to the Management Company	49,584	19,084
Payable to the Trustee	1,313	280
Payable to Securities and Exchange Commission of Pakistan	1,232	294
Accrued expenses and other liabilities	8,345	2,958
	60,474	22,616
Net cash generated from / (used in) operating activities	920,039	(240,336)
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	49,835,880	3,427,958
Net payments on redemption of units	(32,882,366)	(350,068)
Distribution paid	(58,989)	(32,468)
Net cash generated from financing activities	16,894,525	3,045,422
Net increase in cash and cash equivalents during the period	17,814,564	2,805,086
Cash and cash equivalents at the beginning of the period	6,633,350	-
Cash and cash equivalents at the end of the period	4 <u>24,447,914</u>	<u>2,805,086</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned and maintained an asset manager rating of AM1 as at December 24, 2019 to the Management Company and rated A(f) with stable outlook as at April 17, 2020 to the Fund.

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

2 STATEMENT OF COMPLIANCE

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

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

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

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

4 BANK BALANCES	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
Rupees in '000			
Balances with banks in:			
Savings accounts	4.1	24,402,850	6,616,900
Current accounts		45,064	16,450
		<u>24,447,914</u>	<u>6,633,350</u>

4.1 These include a balance of Rs 8,529.155 million (June 30, 2019: Rs 830.857 million) maintained with BankIslami Pakistan Limited (a related party) and a balance of Rs 15.036 million (June 30, 2019: Rs 1.063 million) maintained with National Bank of Pakistan (a related party), that carry profit at the rates of 8% to 12.5% (June 30, 2019: 8% to 13.5%) per annum. Other savings accounts of the Fund carry profit rates ranging from 7.05% to 13.25% (June 30, 2019: 13% to 13.85%) per annum.

5 INVESTMENTS	Note	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
Rupees in '000			
Financial assets at fair value through profit or loss			
Sukuk certificates - listed		-	335,000
Commercial paper	5.1	1,348,986	286,327
Term deposit receipts		-	1,270,000
Certificate of musharilka	5.2	1,000,000	-
		<u>2,348,986</u>	<u>1,891,327</u>

5.1 Commercial paper

Name of the security	Issue date	Profit rate (%) / Tenor	As at July 01, 2019	Purchased during the period	Matured during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	
							----- Rupees in '000 -----	----- Percentage -----			
K-Electric Limited	14-Feb-20	14.64 6 months	-	432,000	-	432,000	410,200	410,200	17.46	1.52	
K-Electric Limited	26-Feb-20	14.64 6 months	-	644,000	-	644,000	608,612	608,612	25.91	2.26	
K-Electric Limited	10-Mar-20	13.64 6 months	-	350,000	-	350,000	330,174	330,174	14.06	1.23	
Total as at March 31, 2020							1,348,986	1,348,986			

5.2 Certificate of musharilka

Name of the security	Issue date	Profit rate (%) / Tenor	As at July 01, 2019	Purchased during the period	Matured during the period	As at March 31, 2020	Carrying value as at March 31, 2020	Market value as at March 31, 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	
							----- Rupees in '000 -----	----- Percentage -----			
First Habib Modarba	24-Jan-20	13.35 3 months	-	500,000	-	500,000	500,000	500,000	21.29	1.86	
First Habib Modarba	27-Jan-20	13.35 3 months	-	500,000	-	500,000	500,000	500,000	21.29	1.86	
Total as at March 31, 2020							1,000,000	1,000,000			

6 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognized provision for SWWF amounting to Rs. 34.326 million as at March 31, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2020 would have been higher by Rs. 0.0139 per unit (June 30, 2019: Rs. 0.0042 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

8 SELLING AND MARKETING EXPENSES

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

9 TAXATION

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

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

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2020 is 1.41% (June 30, 2019: 1.49%) which includes 0.31% (June 30, 2019: 0.39%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shari'ah compliant income scheme'.

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 11.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 11.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 11.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4** Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

	(Un-Audited)	
	Nine Months Ended March 31, 2020	For the period from October 07, 2018 To March 31, 2019
	Rupees in '000	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	26,916	2,829
Sindh Sales Tax on remuneration of the Management Company	3,499	368
Sales load during the period	126,480	18,153
Allocated expenses	12,455	392
Selling and marketing expenses	85,312	-
Amortisation of preliminary expenses and floatation costs	151	96
Dividend re-invest units issued - Nil (2019: 339,999)	-	3,401
Units issued - Nil (2019: 14,986,820)	-	149,867
Units redeemed - Nil (2019: 5,996,882)	-	60,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	9,341	69
Sindh sales tax on remuneration of Trustee	1,214	9
Settlement charges	5	-
Employees of NBP Fund Management Limited		
Dividend re-invest units issued - 6,379 (2019: 22,655)	64	227
Units issued - 14,665,722 (2019: 7,916,432)	152,283	79,259
Units redeemed - 13,300,459 (2019: 7,015,003)	137,892	70,423
Dr Amjad Waheed - Chief Executive Officer of the Management Company		
Units issued during the period - 1,414,249 (2019: Nil)	14,929	-
Units redeemed during the period - 1,414,249 (2019: Nil)	14,982	-
Khalid Mehmood - Chief Financial Officer		
Dividend re-invest units issued - 2,326 (2019: Nil)	23	-
Units issued during the period - 147,646 (2019: Nil)	1,513	-
Units redeemed during the period - 430,482 (2019: Nil)	4,502	-
Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary		
Dividend re-invest units issued - 13* (2019: 3,229)	-	32
Units issued - 281,237 (2019: 419,186)	3,051	4,195
Units redeemed - 48,558 (2019: 143,429)	521	1,440
Imran Zaffar - Director		
Dividend re-invest units issued - 12,952 (2019: Nil)	130	-
Units issued during the period - 1* (2019: Nil)	-	-
Units redeemed during the period - 1,548,000 (2019: Nil)	15,808	-
Portfolio managed by the Management Company		
Dividend re-invest units issued - 3,205 (2019: Nil)	32	-
Units issued during the period - 27,212,197 (2019: Nil)	290,752	-
Units redeemed during the period - 1,755,275 (2019: Nil)	18,400	-
Fauji Fertilizer Company Limited		
Units issued during the period - 12,937,847 (2019: Nil)	130,001	-
Units redeemed during the period - 12,937,769 (2019: Nil)	130,085	-
National Bank of Pakistan		
Profit on bank balances	120	-
NBP Financial Sector Income Fund		
Purchase of commercial paper	96,989	-
NBP Riba Free Savings Fund		
Purchase of commercial paper	388,056	-
NBP Islamic Daily Dividend Fund		
Purchase of commercial paper	99,147	-
Pakistan Stock Exchange Limited **		
Listing fee paid	25	-
BankIslami Pakistan Limited - common directorship		
Profit income	520,529	8,217
Placement of term deposit receipts	17,005,533	-
Income from term deposit receipts	205,402	-

* Nil due to rounding off

NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY ; NBP AITEMAAD MAHANA AMDANI FUND)



11.6 Amounts / balances outstanding as at period end:

	(Un- Audited) March 31, 2020	Audited June 30, 2019
	Rupees in '000	
NBP Fund Management Limited - Management Company		
Payable against formation cost	1,004	1,004
Remuneration payable to the Management Company	4,533	5,069
Sales load payable to management company	14,527	8,438
Transfer load payable	306	891
Other payable to the Management Company	80	80
Sindh sales tax payable on remuneration of the Management Company	589	659
Sindh sales tax payable on sales load	1,935	1,220
Allocated expense payable	5,701	1,639
Selling and marketing expense payable	39,909	-
Employees of the Management Company		
3,516,803 units held (June 30, 2019 : 2,145,163 units)	38,253	21,500
Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary		
235,850 units held (June 30, 2019 : 3,157 units)	2,566	32
Imran Zaffar - Director		
531,917 units held (June 30, 2019 : 2,066,964 units)	5,786	20,717
Fauji Fertilizer Company Limited		
77 units held (June 30, 2019 : Nil units)	1	-
Portfolio managed by the Management Company		
25,661,772 units held (June 30, 2019 : 1,005,739 units)	279,128	10,080
Khalid Mehmood - Chief Financial Officer		
1,210 units held (June 30, 2019 : 281,720 units)	13	2,824
Bulk Management Pakistan Private Limited - unit holder with more than 10% holding *		
Nil units held (June 30, 2019 : 89,415,527 units)	-	896,185
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable	1,700	538
Sindh sales tax on remuneration of the Trustee	221	70
Settlement charges payable	4	-
Security deposit	103	103
BankIslami Pakistan Limited - common directorship		
Bank balance	8,529,155	830,857
Term deposit receipts	-	1,270,000
Profit receivable on bank balances and term deposit receipts	114,976	17,199
Summit Bank Limited *		
Balance with bank	-	3,096
National Bank of Pakistan Limited - parent company		
Balance with bank	15,036	1,063
Profit receivable	23	8

* Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at March 31, 2020.

** 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, 2019.

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on **April 27, 2020**.

13 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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