

## NBP ISLAMIC REGULAR INCOME 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**

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

# NBP ISLAMIC REGULAR INCOME FUND

(FORMERLY; NBP AITEMAAD REGULAR PAYMENT FUND)



**NBP FUNDS**  
Managing Your Savings

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.nbpfunds.com](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 unaudited financial statements of **NBP Islamic Regular Income Fund (NIRIF)** (Formerly: NBP Aitemaad Regular Payment Fund) (NARPF) for the period ended March 31, 2020.

### Fund's Performance

The size of NBP Islamic Regular Income Fund has decreased from Rs. 107 million to Rs. 95 million during the period, i.e. a decrease of 11%. During the period, the unit price (NAV) of NBP Islamic Regular Income Fund has decreased from Rs. 8.2777 on June 30, 2019 to Rs. 7.7052 on March 31, 2020, thus showing a decrease of 6.9%. The Benchmark has decreased by 6.0% during the same period. Thus, the Fund has underperformed its Benchmark by 0.9% during the period under review. Since inception, the unit price of NBP Islamic Regular Income Fund has decreased from Rs. 10.0000 on October 31, 2018 to Rs. 7.7052 on March 31, 2020, thus showing a decrease of 22.9%. The Benchmark for the same period has decreased by 24.1%. Thus, the Fund has outperformed its Benchmark by 1.2% since inception. This performance is net of management fee and all other expenses.

During 9MFY20, amid heightened volatility, the stock market depicted dismal performance as reflected by a large 16.8% decline in the benchmark KMI-30 Index. The market started the year on a faltering note initially on account of concerns on the economic front and later on due to deteriorating Pakistan-India relations over the repeal of article 370 in the Indian-occupied Kashmir. Resultantly, panic selling sent the Index to a multi-year low level of 44,929 points on August 16th that opened-up valuation gap in the broader part of the market. However, as the threat of armed conflict between India and Pakistan subsided, attractive valuations and mitigation of risks on the balance of payment position with signing of USD 6 billion Extended Funds facility (EFF) and substantial financial support from the friends of Pakistan triggered value buying in the market. The market sentiment was further uplifted by significant improvement in external account position. The current account balance for the first time in 42 months turned into surplus in Oct-19 and the monthly CAD averaged USD 366 million during July'19 to Feb'20 period, down massively by 70% on a year-on-year basis. Capital flows from the multilateral agencies and portfolio inflows in the government securities also rejuvenated the sentiment. The market also celebrated the steep decline in yields on the government securities on the expectation of commencement of monetary easing cycle. As a result, the KMI-30 Index surged by a massive 58% from August 16th, 2019 to its recent peak on January 10th, 2020. Then, things started to reverse, initially, concerns over delay of 3rd tranche from the IMF due to noncompliance of Performance Criteria under EFF, fear of mini budget to meet expected revenue shortfalls, and reversal of hot money from T-Bills started to weigh on the stock market sentiment. It was however the fear of spread of the Coronavirus and the ensuing lockdown/shutdown of the business activity that caused indiscriminate selling in the stock market. Consequently, the market tumbled by 36.4% from its peak in January till March end.

During the period under review, in terms of sectoral performance, Cements, Chemicals, Engineering, Fertilizers, Pharmaceuticals, Food & Personal Care and Glass & Ceramics out-performed the market, while Automobile Assemblers, Commercial Banks, Insurance, Oil & Gas Exploration, Oil & Gas Marketing, Textile Composite, and Power Generation & Distribution lagged behind. Regarding the participant-wise activity, Individuals remained major buyers with net inflows of USD 144 million, along with Insurance Companies that accumulated positions worth USD 94 million. On the other hand, Foreign investors were the major sellers in the market, offloading positions worth USD 130 million. Likewise, Mutual Funds, and Banks/DFIs were net sellers with net outflows of USD 85 million, and USD 48 million, respectively.

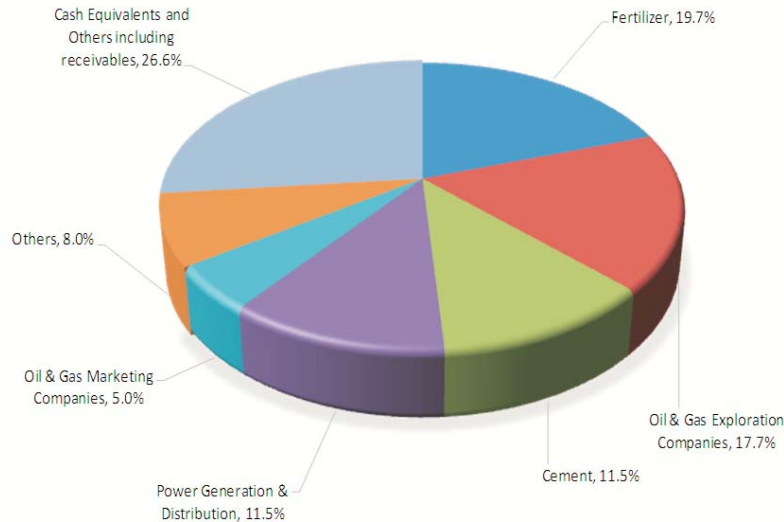
During 9MFY20, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings. In its first meeting in July 2019, the Policy Rate was increased by 100bps to 13.25% with the objective to curtail inflationary pressure. Thenceforth the central bank maintained tight monetary policy stance and left the key benchmark unchanged in the subsequent three MPC meetings. In its meeting on March 14th, 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.

# NBP ISLAMIC REGULAR INCOME FUND (FORMERLY; NBP AITEMAAD REGULAR PAYMENT FUND)

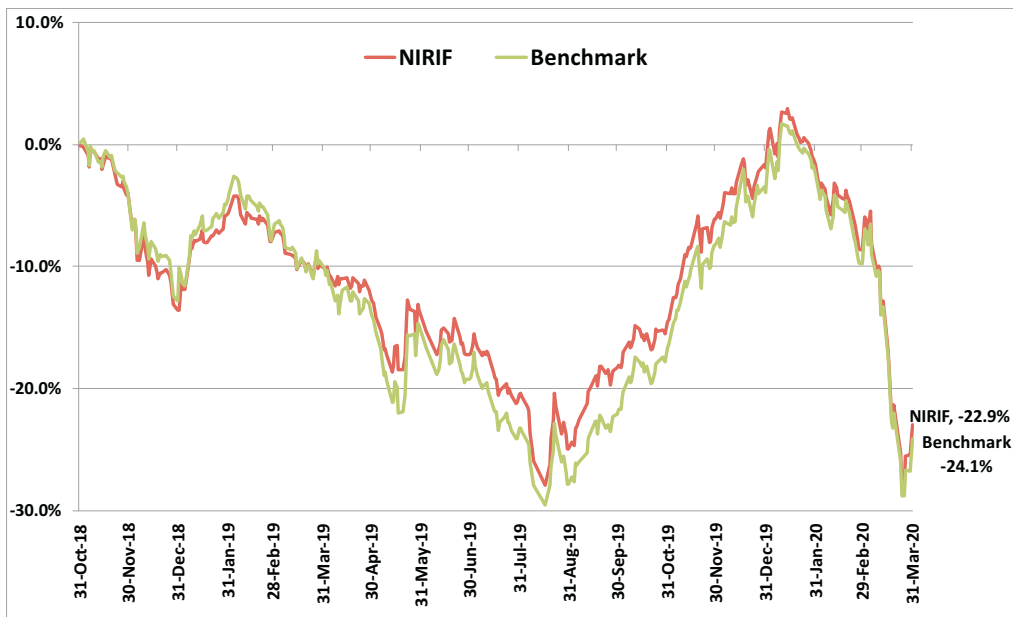


During the period under review, the market witnessed issuance of a decent size of corporate sukuk and Shariah Compliant commercial papers to meet the increasing funding need for fixed capital investments and working capital, respectively. In the secondary market, the trading activity in corporate sukuk remained around Rs. 19 billion compared to Rs 0.9 billion, during the same period last year.

The Fund has incurred a loss of Rs. 4.581 million during the period. After accounting for total expenses of Rs.1.954 million, the total loss is Rs. 6.535 million. The asset allocation of the Fund as on March 31, 2020 is as follows:



## NIRIF Performance versus Benchmark (Since Inception)



**Acknowledgement**

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

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

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

**Chief Executive**

**Director**

Date: 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 ریگولر انکم فنڈ (NIRIF) (سابقہ: NBP اعتماد ریگولر پیمنٹ فنڈ) (NARPF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک ریگولر انکم فنڈ کا سائز 107 ملین روپے سے کم ہو کر 95 ملین روپے ہو گیا ہے یعنی 11% کمی۔ زیر جائزہ مدت کے دوران، NBP اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 8.2777 روپے سے کم ہو کر 31 مارچ 2020ء کو 7.7052 روپے ہو گئی، لہذا 6.9% کمی دکھائی۔ فنڈ کا بیچ مارک اسی مدت میں 6.0% سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 0.9% بہتر کارکردگی دکھائی۔ 31 اکتوبر 2018 کو اپنے قیام کے وقت سے NBP اسلامک ریگولر انکم فنڈ کے یونٹ کی قیمت 10.00 روپے سے کم ہو کر 31 مارچ 2020ء کو 7.7052 روپے ہو چکی ہے اور لہذا 22.9% کمی دکھائی۔ اسی مدت میں بیچ مارک 24.1% کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 1.2% بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

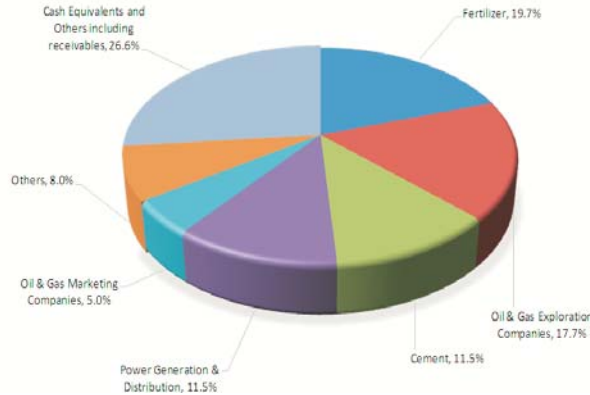
مالی سال 2020 کی نو ماہی میں، تیز اتار چڑھاؤ کے ساتھ اسٹاک مارکیٹ نے مایوس کن کارکردگی کا مظاہرہ کیا جیسا کہ KMI-30 انڈیکس بیچ مارک میں بڑے پیمانے کی کمی 16.8 فیصد سے ظاہر ہوتا ہے۔ مارکیٹ نے اقتصادی محاذ پر تشویش پائے جانے اور بعد میں ہندوستان کے مقبوضہ کشمیر میں آرٹیکل 370 کی منسوخی پر پاک بھارت تعلقات خراب ہونے کی وجہ سے منفی رجحان سے سال کا آغاز کیا۔ نتیجتاً، خوف و ہراس میں فروخت کی وجہ سے 16 اگست 2019ء کو انڈیکس کثیر سالہ کی کم ترین سطح 44,929 پوائنٹس تک پہنچ گیا جس نے مارکیٹ کے بڑے حصہ میں قیمت کے خلاء کو واضح کر دیا۔ تاہم، جیسے ہی بھارت اور پاکستان کے مابین مسلح تصادم کا خطرہ کم ہوا، 6 ملین ڈالر کے توسیعی فنڈز کی سہولت (EFF) پر دستخط اور ادائیگی کی پوزیشن میں توازن سے پرکشش تشخیص اور خطرات کی تخفیف ہوئی اور پاکستان کے دوست ممالک کی طرف سے خاطر خواہ مالی مدد نے مارکیٹ میں قیمت خرید کو متحرک کر دیا۔ بیرونی اکاؤنٹ کی پوزیشن میں نمایاں بہتری کی وجہ سے مارکیٹ کے جذبات کو مزید تقویت ملی۔ کرنٹ اکاؤنٹ بیلنس پہلی بار 42 مہینوں میں 19 اکتوبر 19 میں سرپلس میں بدل گیا اور ماہانہ کرنٹ اکاؤنٹ خسارہ (CAD) اوسط 366 ملین امریکی ڈالر، جولائی 19 تا فروری 20 کے دوران سالانہ بنیادوں پر بڑے پیمانے پر 70 فیصد کم ہوا۔ کثیر الجہتی ایجنسیوں کی طرف سے سرمائے اور گورنمنٹ سیکورٹیز میں پورٹ فولیو کی آمد نے بھی جذبات کو ابھارا۔ متوقع مانیٹری نرمی کے آغاز پر مارکیٹ نے گورنمنٹ سیکورٹیز کے منافع میں بھی شدید کمی کو سراہا۔ نتیجے کے طور پر، KMI-30 انڈیکس میں 16 اگست 2019 سے بڑے پیمانے پر 58 فیصد کا اضافہ ہوا، 10 جنوری 2020 کو اپنی موجودہ بلند ترین سطح پر آ گیا۔ پھر، معاملات اٹلے ہونا شروع ہو گئے، جس کی بنیادی وجہ EFF کے تحت کارکردگی کے معیاری عدم تعمیل کی وجہ سے آئی ایم ایف سے تیسری قسط کی تاخیر کے خدشات، متوقع آمدن کی کمی کو پورا کرنے کے لئے منی بیچ کا خوف، اور (T-Bills) سے ہاٹ منی کے واپس جانے سے اسٹاک مارکیٹ کے جذبات پر دباؤ آنے لگا۔ تاہم کورونا وائرس کے پھیلاؤ اور اس کے بعد ہونے والے لاک ڈاؤن/کاروباری سرگرمی کے بند ہونے کا خوف جس کی وجہ سے اسٹاک مارکیٹ میں اندھا دھند فروخت ہوئی۔ اس کے نتیجے میں، جنوری تا مارچ کے آخر تک مارکیٹ اپنے عروج سے 36.4 فیصد تک گر گئی۔

زیر جائزہ مدت کے دوران، شعبہ جاتی کارکردگی کے تناظر میں سینٹ، کیمیکلز، انجینئرنگ، فریٹلائزر، فارماسیوٹیکلز، خوراک اور پرسنل کیئر اور شیشے اور سرسٹکس نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹوموبائل، کمرشل بینک، انشورنس، تیل اور گیس ایکسپلوریشن، تیل اور گیس مارکیٹنگ، ٹیکسٹائل کمپوزٹ، پاور جنریشن اور ڈسٹری بیوشن نے ان کی پیروی کی۔ شریک دار کارکردگی کے تناظر میں انفرادی سرمایہ کار 144 ملین ڈالر کے مجموعی انفلو کے ساتھ بڑے خریدار رہے جب کہ انشورنس کمپنیوں نے 94 ملین ڈالر کے ساتھ پوزیشن مستحکم کی۔ دوسری جانب، غیر ملکی سرمایہ کار 130 ملین امریکی ڈالر کے ساتھ بڑے فروخت کنندہ رہے اسی طرح میوچل فنڈز اور بینک/DFI بالترتیب 85 ملین ڈالر اور 48 ملین ڈالر کے آؤٹ فلو کے ساتھ خالص فروخت کنندگان رہے۔

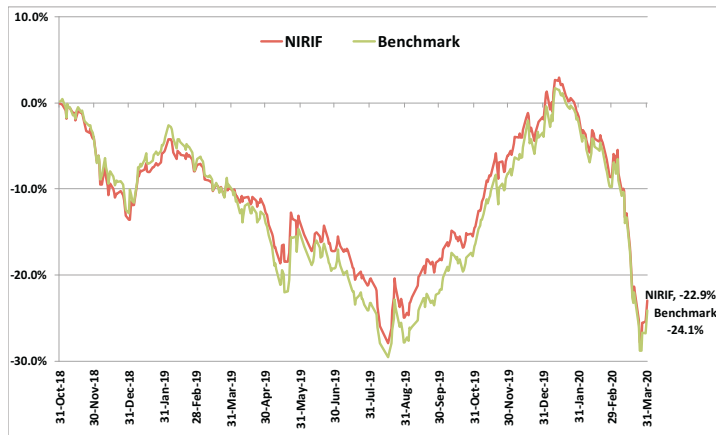
مالی سال 2020 کی نو ماہی میں اسٹیٹ بینک آف پاکستان نے چھ ماہی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ ماہی پالیسی کے اپنے پہلے اجلاس میں پالیسی کی شرح کو بحساب 100bps سے بڑھا کر 13.25 فی صد کر دیا۔ اس کے بعد مرکزی بینک نے سخت معاشی پالیسی کا موقف 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 فی صد کر دیا۔

زیر جائزہ مدت کے دوران، مارکیٹ میں بالترتیب فکسڈ کمپنیل سرمایہ کاری اور ورکنگ سرمایہ 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 بلین روپے رہی جو کہ گذشتہ سال کی اسی مدت کے دوران 9 بلین روپے تھی۔

فنڈ نے موجودہ مدت کے دوران 4.581 بلین روپے کا خسارہ ہوا۔ 1.954 بلین روپے کے مجموعی اخراجات منہا کرنے کے بعد کل خسارہ 6.535 بلین روپے ہے۔ فنڈ کی ایسٹ ایلویشن 31 مارچ 2020ء کو بمطابق ذیل سے:



NIRIF 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 شکر یہ 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: 27 اپریل 2020ء

مقام: کراچی

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

	Note	Unaudited March 31, 2020	Audited June 30, 2019
-----Rupees in '000-----			
<b>Assets</b>			
Bank balances		24,122	24,651
Investments	4	69,385	81,380
Dividend and profit receivable		1,081	875
Preliminary expenses and floatation costs		725	877
Advance, deposit and prepayment		531	523
<b>Total assets</b>		<b>95,844</b>	<b>108,306</b>
<b>Liabilities</b>			
Payable to the Management Company		604	1,248
Payable to the Trustee		20	20
Payable to Securities and Exchange Commission of Pakistan		17	68
Accrued expenses and other liabilities		616	447
<b>Total liabilities</b>		<b>1,257</b>	<b>1,783</b>
<b>Net assets</b>		<b>94,587</b>	<b>106,523</b>
<b>Unit holders' funds (As per Statement attached)</b>		<b>94,587</b>	<b>106,523</b>
<b>Contingencies and commitments</b>			
	5		
-----Number of units-----			
<b>Number of units in issue</b>		<b>12,275,735</b>	<b>12,868,673</b>
-----Rupees-----			
<b>Net asset value per unit</b>		<b>7.7052</b>	<b>8.2777</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

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

Note	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-----Rupees in '000-----				
<b>Income</b>				
	2,510	(3,324)	2,625	(3,012)
Gain / (loss) on sale of investments - net				
Dividend Income	5,324	2,299	690	1,052
Profit on bank deposits	2,578	922	971	602
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(14,993)	(9,080)	(29,866)	5,269
<b>Total (loss) / income</b>	<b>(4,581)</b>	<b>(9,183)</b>	<b>(25,580)</b>	<b>3,911</b>
<b>Expenses</b>				
Remuneration of the Trustee	165	89	57	57
Sales Tax on remuneration of the Trustee	21	12	7	8
Accounting and operational charges to the Management Company	83	44	29	28
Selling and marketing expenses	979	-	384	-
Annual fee - Securities and Exchange Commission of Pakistan	17	42	6	27
Securities transaction costs	162	167	111	55
Settlement and bank charges	27	62	7	31
Auditors' remuneration	216	324	51	98
Legal and professional charges	40	46	30	18
Annual listing fee	17	17	6	10
Amortisation of preliminary expenses and floatation costs	152	84	50	50
Shariah advisor fee	14	6	5	3
Charity Expense	-	-	(130)	-
Printing charges	61	40	5	20
<b>Total expenses</b>	<b>1,954</b>	<b>933</b>	<b>618</b>	<b>405</b>
<b>Net (loss) / income from operating activities</b>	<b>(6,535)</b>	<b>(10,116)</b>	<b>(26,198)</b>	<b>3,506</b>
Provision for Sindh Workers' Welfare Fund	-	-	393	-
<b>Net (loss) / income for the period before taxation</b>	<b>(6,535)</b>	<b>(10,116)</b>	<b>(25,805)</b>	<b>3,506</b>
<b>Taxation</b>	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(6,535)</b>	<b>(10,116)</b>	<b>(25,805)</b>	<b>3,506</b>
<b>Allocation of Net income for the period:</b>				
Net loss for the period	-	-	-	-
Income already paid on units redeemed	-	-	-	-
<b>Accounting Income available for distribution:</b>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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 PERIOD AND QUARTER ENDED MARCH 31, 2020

	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees in '000'-----			
Net (loss) / income for the period after taxation	(6,535)	(10,116)	(25,805)	3,506
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(6,535)</b>	<b>(10,116)</b>	<b>(25,805)</b>	<b>3,506</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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 PERIOD ENDED MARCH 31, 2020

	Nine months period ended					
	March 31, 2020			March 31, 2019		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	126,095	(19,572)	106,523	-	-	-
Issue of 12,397,161 units (2019: 13,017,665 units)						
- Capital value	102,620	-	102,620	130,177	-	130,177
- Element of loss	(2,973)	-	(2,973)	(2,617)	-	(2,617)
Total proceeds on issuance of units	99,647	-	99,647	127,560	-	127,560
Redemption of 12,990,099 units (2019: 149,050 units)						
- Capital value	(107,528)	-	(107,528)	(1,491)	-	(1,491)
- Element of income	2,480	-	2,480	26	-	26
Total payments on redemption of units	(105,048)	-	(105,048)	(1,465)	-	(1,465)
Total comprehensive loss for the period	-	(6,535)	(6,535)	-	(10,116)	(10,116)
<b>Net assets at end of the period</b>	<b>120,694</b>	<b>(26,107)</b>	<b>94,587</b>	<b>126,095</b>	<b>(10,116)</b>	<b>115,979</b>
Undistributed income brought forward						
- Realised loss		(1,666)			-	
- Unrealised loss		(17,906)			-	
		(19,572)			-	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the period after taxation		(6,535)			(10,116)	
Undistributed income carried forward		(26,107)			(10,116)	
Undistributed income carried forward						
- Realised loss		(11,114)			(1,036)	
- Unrealised loss		(14,993)			(9,080)	
		(26,107)			(10,116)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			8.2777			-
Net assets value per unit at end of the period			7.7052			9.0125

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

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 PERIOD ENDED MARCH 31, 2020

	<u>Nine months period ended</u>	
	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(6,535)	(10,116)
<b>Adjustments</b>		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	14,993	9,080
Amortisation of preliminary expenses and floatation costs	152	84
	<u>8,610</u>	<u>(952)</u>
<b>(Increase) in assets</b>		
Investments - net	(2,998)	(94,256)
Dividend and profit receivable	(206)	(1,072)
Preliminary and floatation costs	-	(1,011)
Advance, deposit and prepayment	(8)	(383)
	<u>(3,212)</u>	<u>(96,722)</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(644)	1,201
Payable to the Trustee	-	22
Payable to Securities and Exchange Commission of Pakistan	(51)	42
Accrued expenses and other liabilities	169	475
	<u>(526)</u>	<u>1,740</u>
<b>Net cash generated / (used in) from operating activities</b>	<u>4,872</u>	<u>(95,934)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	99,647	127,560
Net payments on redemption of units	(105,048)	(1,465)
<b>Net cash (used in) / generated from financing activities</b>	<u>(5,401)</u>	<u>126,095</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(529)</u>	<u>30,161</u>
Cash and cash equivalents at the beginning of the period	24,651	-
<b>Cash and cash equivalents at the end of the period</b>	<u>24,122</u>	<u>30,161</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



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

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

**2 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.

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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

4 INVESTMENTS	Note	(Unaudited)	(Audited)
		March 31, 2020	June 30, 2019
		(Rupees in '000)	
<b>Financial assets at fair value through profit or loss</b>			
- Listed equity securities	4.1	<b>69,385</b>	<b>81,380</b>

#### 4.1 Investment in listed equity securities

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

Name of the Investee Company	As at 1 July 2019	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 March 2020	Market value /carrying value as at 31 March 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company
	( Number of shares )					(Rupees in '000)	(%)			
<b>Oil and Gas Exploration Company</b>										
Pakistan Oilfields Limited	28,600	8,500	-	-	9,900	27,200	7,132	7.54	10.28	0.01
Pakistan Petroleum Limited	56,600	31,700	9,520	-	32,700	65,120	4,676	4.94	6.74	-
Oil & Gas Development Company Limited	100,700	49,800	-	-	86,800	63,700	4,904	5.18	7.07	-
	<b>185,900</b>	<b>90,000</b>	<b>9,520</b>	<b>-</b>	<b>129,400</b>	<b>156,020</b>	<b>16,712</b>	<b>17.66</b>	<b>24.09</b>	
<b>Oil and Gas Marketing Company</b>										
Pakistan State Oil Company Limited	3,600	14,100	2,120	-	3,000	16,820	2,044	2.16	2.95	-
Sui Northern Gas Pipelines Limited	-	4,500	-	-	-	4,500	166	0.18	0.24	-
Attock Petroleum Limited	10,700	-	-	-	-	10,700	2,525	2.67	3.64	0.01
	<b>14,300</b>	<b>18,600</b>	<b>2,120</b>	<b>-</b>	<b>3,000</b>	<b>32,020</b>	<b>4,735</b>	<b>5.01</b>	<b>6.83</b>	
<b>Sugar &amp; Allied Industries</b>										
Faran Sugar Mills Limited	-	7,000	-	-	-	7,000	364	0.38	0.52	0.03
Habib Sugar Mills Limited	-	11,500	-	-	-	11,500	305	0.32	0.44	0.01
Mirpurkhas Sugar Mills Limited	-	500	50	-	-	550	28	0.03	0.04	-
	<b>-</b>	<b>19,000</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>19,050</b>	<b>697</b>	<b>0.73</b>	<b>1.00</b>	
<b>Fertilizer</b>										
Engro Corporation Limited	46,860	18,600	-	-	22,200	43,260	11,546	12.21	16.64	0.01
Engro Fertilizers Limited	169,000	107,500	-	-	153,500	123,000	7,092	7.50	10.22	0.01
	<b>215,860</b>	<b>126,100</b>	<b>-</b>	<b>-</b>	<b>175,700</b>	<b>166,260</b>	<b>18,638</b>	<b>19.71</b>	<b>26.86</b>	

# NBP ISLAMIC REGULAR INCOME FUND

(FORMERLY; NBP AITEMAAD REGULAR PAYMENT FUND)



**NBP FUNDS**  
Managing Your Savings

Name of the Investee Company	As at 1 July 2019	Purchases during the period	Bonus Shares issued during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 March 2020	Market value /carrying value as at 31 March 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Percentage of the paid up capital of the investee company	
	( Number of shares )						(Rupees in '000)		(%)		
<b>Chemical</b>											
Engro Polymer and Chemicals Limited	-	8,000	-	-	-	8,000	196	0.21	0.28	-	
	-	8,000	-	-	-	8,000	196	0.21	0.28		
<b>Cement</b>											
D.G. Khan Cement Company Limited	-	10,000	-	-	-	10,000	593	0.63	0.85	-	
Fauji Cement Company Limited	-	183,000	-	-	-	183,000	2,710	2.87	3.91	0.01	
Lucky Cement Limited	4,900	9,500	-	-	2,600	11,800	4,374	4.62	6.30	-	
Maple Leaf Cement Factory Limited	-	30,000	-	-	-	30,000	622	0.66	0.90	-	
Kohat Cement Company Limited	22,800	6,500	-	-	-	29,300	2,556	2.70	3.68	0.01	
	<b>27,700</b>	<b>239,000</b>	<b>-</b>	<b>-</b>	<b>2,600</b>	<b>264,100</b>	<b>10,855</b>	<b>11.48</b>	<b>15.64</b>		
<b>Automobile Assembler</b>											
Agriautos Industries Limited	-	4,000	-	-	-	4,000	641	0.68	0.92	0.01	
Indus Motor Company Limited	-	1,100	-	-	-	1,100	803	0.85	1.16	-	
Millat Tractors Limited	-	3,200	-	-	1,500	1,700	924	0.98	1.33	-	
	-	<b>8,300</b>	-	-	<b>1,500</b>	<b>6,800</b>	<b>2,368</b>	<b>2.51</b>	<b>3.41</b>		
<b>Commercial Banks</b>											
Meezan Bank Limited	-	11,500	-	-	-	11,500	749	0.79	1.08	-	
	-	<b>11,500</b>	-	-	-	<b>11,500</b>	<b>749</b>	<b>0.79</b>	<b>1.08</b>		
<b>Textile Composite</b>											
Nishat Mills Limited	28,000	6,500	-	-	6,000	28,500	1,674	1.77	2.41	0.01	
	<b>28,000</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>28,500</b>	<b>1,674</b>	<b>1.77</b>	<b>2.41</b>		
<b>Transport</b>											
Pakistan National Shipping Corporation Limited	-	17,000	-	-	-	17,000	903	0.95	1.30	0.01	
	-	<b>17,000</b>	-	-	-	<b>17,000</b>	<b>903</b>	<b>0.95</b>	<b>1.30</b>		
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited	492,500	-	-	-	362,000	130,500	1,011	1.07	1.46	-	
	<b>492,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362,000</b>	<b>130,500</b>	<b>1,011</b>	<b>1.07</b>	<b>1.46</b>		
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	147,972	29,000	-	-	25,000	151,972	10,375	10.97	14.95	0.01	
Saif Power Limited	-	29,500	-	-	-	29,500	472	0.50	0.69	0.01	
	<b>147,972</b>	<b>58,500</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>181,472</b>	<b>10,847</b>	<b>11.47</b>	<b>15.64</b>		
<b>Total - 31 March 2020</b>	<b>1,112,232</b>	<b>602,500</b>	<b>11,690</b>	<b>-</b>	<b>705,200</b>	<b>1,021,222</b>	<b>69,385</b>	<b>73.36</b>	<b>100.00</b>		
Carrying value before fair value adjustment as at 31 March 2020							<b>84,378</b>				

## **5 CONTINGENCIES AND COMMITMENTS**

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

## **6 SELLING AND MARKETING EXPENSE**

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.35% per annum of the net assets of the Fund.

## **7 TAXATION**

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

## **8 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at March 31, 2020 is 2.37% (2019: 2.10%) which includes 0.05% (2019: 0.12%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shariah compliant asset allocation scheme'.

## **9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

- 9.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 9.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 9.3** Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

# NBP ISLAMIC REGULAR INCOME FUND (FORMERLY; NBP AITEMAAD REGULAR PAYMENT FUND)



## 9.4 Transactions during the period

	----- Unaudited ----- Nine months ended	
	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
<b>NBP Fund Management Limited - Management Company</b>		
Issue of 12,209,553 units (2019: 12,209,553 units)	97,893	120,022
Redemption of 12,209,553 units (2019: Nil units)	97,893	-
Accounting and operational charges to the Management Company	83	44
Selling and marketing expenses	979	-
Sales load and others	12	2
<b>Employees of the Management Company</b>		
Units issued: Nil units (2019: 52,743 units)	-	525
Units redeemed: Nil units (2019: 52,743 units)	-	524
<b>Bank Islami Pakistan Limited (Common directorship)</b>		
Markup on bank balances	560	72
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee Remuneration	165	89
Sales tax on remuneration to Trustee	21	12
CDC charges	11	30
<b>National Bank of Pakistan Limited - Islamic Banking (Parent Company)</b>		
Markup on bank balances	-	1
<b>Pakistan Stock Exchange (Common directorship)</b>		
Listing Fee paid	20	-
<b>Taurus Securities Limited (Subsidiary of Parent Company)</b>		
Brokerage charges	11	10
<b>** The Hub Power Company Limited (Common directorship)</b>		
Shares purchased: 29,000 shares (2019: Nil shares)	2,058	-
Shares sold: 25,000 shares (2019: Nil shares)	2,378	-
<b>* International Industries Limited</b>		
Shares purchased: Nil shares (2019: 39,000 shares)	-	3,233
Shares sold: Nil shares (2019: 39,000 shares)	-	2,769
	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	(Rupees in '000)	

## 9.5 Balances outstanding as at period / year end

<b>NBP Fund Management Limited - Management Company</b>		
Units held: 12,209,553 (2019: 12,209,553 units)	94,077	101,067
Allocation of expenses related to registrar services, accounting, operation and valuation services	28	56
Preliminary expenses and floatation costs	-	1,011
Sales load and others	13	1
Selling and Marketing	383	-
Other payable	180	180

# NBP ISLAMIC REGULAR INCOME FUND

(FORMERLY; NBP AITEMAAD REGULAR PAYMENT FUND)



	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	(Rupees in '000)	
<b>National Bank of Pakistan Limited - Islamic Banking (Parent Company)</b>		
Bank Balance	14	13
Markup on bank balance	2	2
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration Payable	18	18
Sindh Sales Tax on Trustee remuneration	2	2
CDC charges	10	6
Security deposit	100	100
<b>Bank Islami Pakistan Limited (Common directorship)</b>		
Bank balance	259	23,736
Markup on bank balance	12	247
<b>** The Hub Power Company Limited (Common directorship)</b>		
Shares held : 151,972	10,375	-

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

\*\* Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

## 10 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.

## 11 GENERAL

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

11.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## Head Office

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

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpffunds.com](mailto:info@nbpffunds.com)

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

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