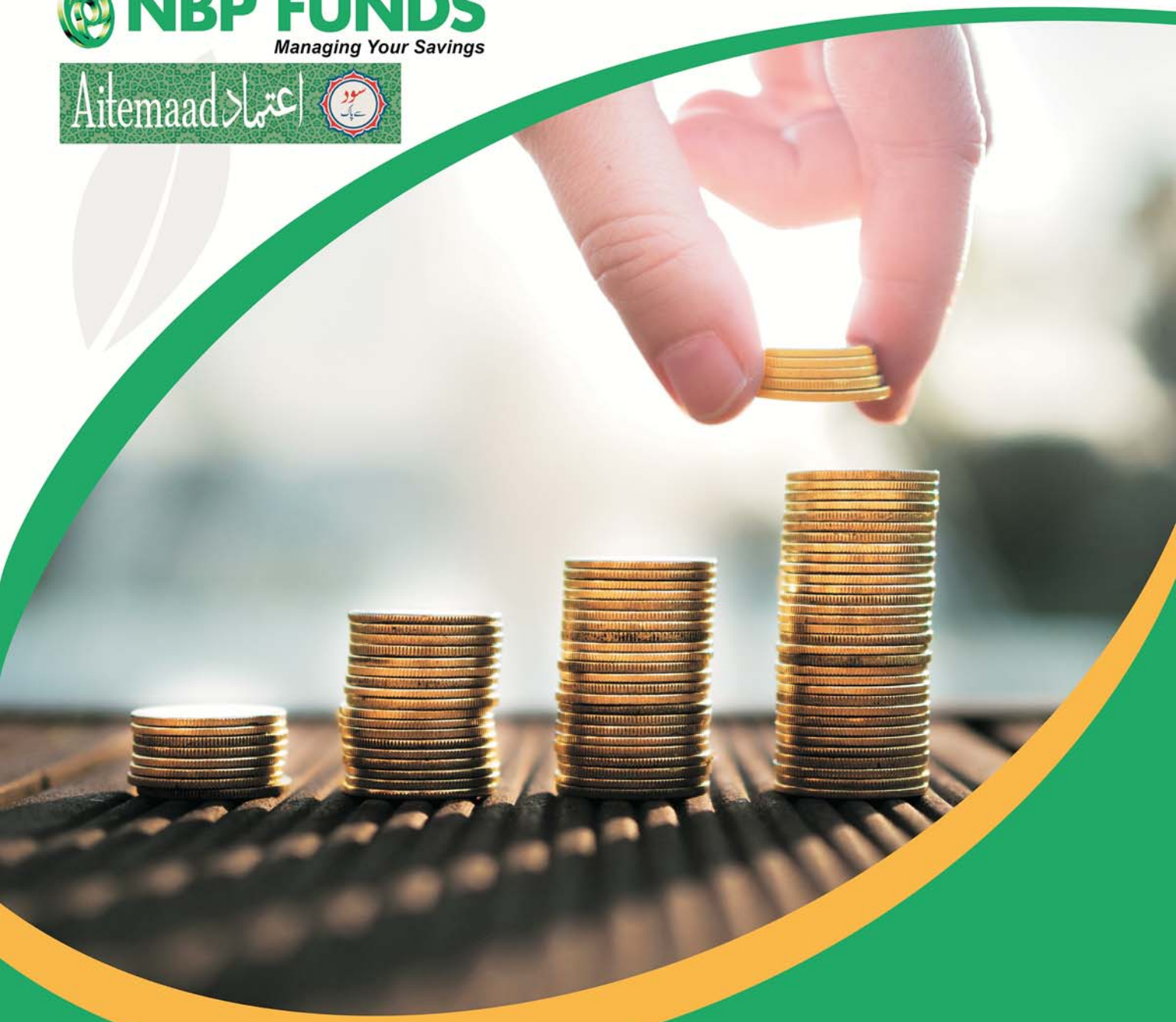
NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



NBP ISLAMIC SARMAYA IZAFA FUND

QUARTERLY REPORT

SEPTEMBER 30, 2021

AM1

Rated by PACRA

MISSION STATEMENT

To rank in the top quartile

in performance of

NBP FUNDS

relative to the competition,

and to consistently offer

Superior risk-adjusted returns to investors.

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

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

Bankers to the Fund

Habib Bank Limited (Islamic)
United Bank Limited (Ameen)
Bank Al Habib Limited (Islamic)
Meezan Bank Limited
Bank Islami (Pakistan) Limited
Sindh Bank Limited (Saadat)
MCB Bank Limited (Islamic)
Dubai Islamic Bank Limited
Bank Alfalah Limited (Islamic)
Soneri Bank Limited (Mustaqeem)
Habib Metro Bank Limited (Islamic)
Allied Bank Limited (Islamic)
Silk Bank Limited (Emaan)
National Bank of Pakistan
JS Bank Limited

Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

Legal Advisor

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

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited condensed Interim financial statements of **NBP Islamic Sarmaya Izafa Fund (NISIF)** for the quarter ended September 30, 2021.

Fund's Performance

After delivering a robust 39% return in FY21, the stock market lost positive momentum as the benchmark KMI 30 Index fell by 5.6% during 1QFY22. In the first two months of the outgoing quarter, range bound activity was witnessed at the local bourse amid thin trading volumes and lackluster investors' participation. During the month of September, the market came under severe selling pressure with KMI 30 Index slumping by 6.9%.

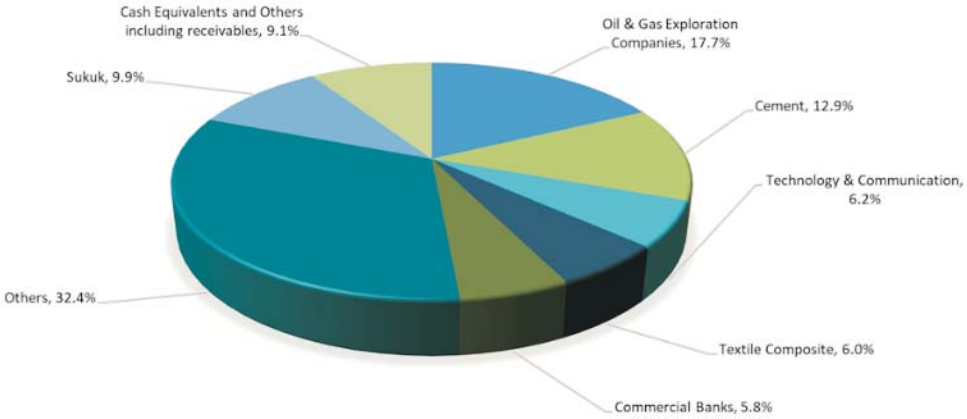
Despite record profitability and healthy payouts announced by the listed corporate sector for June period, the lackluster market performance during the quarter can be attributable to the following factors. Investors seemed worried about shifting Pak-US relations amid developments in the neighboring Afghanistan with possible spillover effects on Pakistan. Adding to investors' angst was the widening Current Account Deficit (CAD) that clocked-in at USD 1.5 billion in August 2021 and USD 800 million in the previous month. Furthermore, the steady devaluation of the PKR versus US dollar coupled with rising industrial raw material and energy prices have ignited concerns on the corporate profitability outlook. In a bid to contain the consumption led demand pressure, the SBP's decision to raise the Policy Rate by 0.25% in its MPC meeting held on September 20th, 2021 was also not well received by the market. According to the market talks, leveraged positions of retail investors, who received margin calls after continuous decline in the Index also accelerated the sell-off of equities towards the end of the quarter. On the other hand, the market ignored positive developments on the external account front notably, record inflows in Roshan Digital Account (RDA) amounting to USD 849 million during the quarter, taking the cumulative inflows to USD 2.4 billion and the receipt of USD 2.7 billion from the IMF on account of SDR allocation.

Looking at the sector wise performance of the market, Automobile Assemblers and Accessories, Cements, Engineering, Insurance, Oil & Gas Exploration and Marketing Companies, Paper & Board, Refineries, and Transport sectors underperformed the market, while Chemicals, Commercial Banks, Fertilizers, Food & Personal Care, Glass & Ceramics, Power Generation and Distribution, Technology, and Textile Composite sectors outperformed the market. In terms of participant-wise activity, Individuals, Other Organizations, and Banks /DFIs remained the largest buyers during the quarter with net inflows of USD 33 million, USD 27 million and USD 21 million, respectively. On the other hand, Foreigners were the largest sellers in the market with net outflows amounting to USD 83 million.

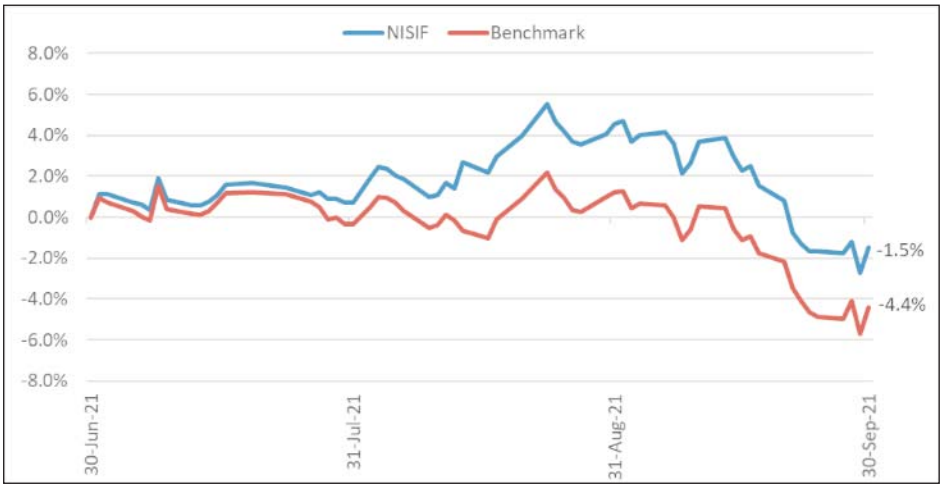
The primary market for Corporate Sukuks remained under-supplied against the growing demand. In the secondary market, the trading activity in Corporate Sukuks was abysmally low with cumulative traded value of around Rs. 0.8 billion in 1QFY22 compared to Rs. 5.6 billion during same period last year. Inflation as measured by the CPI clocked-in at 9.0% on year-on-year basis in September 2021 as compared to 8.4% in the previous month and 9.0% in September 2020. Amid sharp spike in prices of food component, CPI increased by 2.1% on a month-on-month basis in September 2021 as compared to an increase of 1.5% in September 2020. After maintaining status quo for about fifteen months, in its meeting held on September 20th, the SBP raised the Policy Rate by 25 basis points to 7.25%. While acknowledging the needed appropriate policy mix, the SBP cited that "looking ahead, in the absence of unforeseen circumstances, the MPC expects monetary policy to remain accommodative in the near term, with possible further gradual tapering of stimulus."

The size of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 5,611 million to Rs. 5,051 million during the period, i.e., a decrease of 10%. During the period, the unit price of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 16.7187 on June 30, 2021 to Rs. 16.4731 on September 30, 2021, thus showing a decrease of 1.5%. The Benchmark decrease during the same period was 4.4%. Thus, the Fund has outperformed its Benchmark by 2.9% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.5318 (Ex-Div) on October 26, 2007 to Rs. 16.4731 on September 30, 2021, thus showing an increase of 366.4%. During the said period, the Benchmark increased by 211.6%, translating into outperformance of 154.8%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall not be repeated in the future.

The Fund has incurred a loss of Rs. 11.05 million during the period. After deducting total expenses of Rs. 53.63 million, the total loss is Rs. 64.68 million. The asset allocation of the Fund as on September 30, 2021 is as follows:



NISIF Performance versus Benchmark



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: October 29, 2021
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک سرمایہ اضافہ فنڈ (NISIF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2021 میں 38 فیصد کا بھرپور منافع دینے کے بعد، اسٹاک مارکیٹ کی مثبت رفتار کم ہوگئی جیسا کے مالی سال 22 کی پہلی سہ ماہی کے دوران بینچ مارک KSE-100 انڈیکس میں 5.2 فیصد کی کمی ہوئی۔ رواں سہ ماہی کے پہلے دو ماہ میں، ریٹیل باؤنڈ سرگرمی میں مقامی سطح پر تجارتی حجم اور سرمایہ کاروں کی شرکت کی کمی دیکھی گئی۔ ستمبر کے مہینہ کے دوران، مارکیٹ KSE 100 انڈیکس میں 5.3 فیصد کمی کے ساتھ شدید فروختی دباؤ میں آ گئی۔

لسٹڈ کارپوریٹ سیکٹر کی طرف سے جون کی مدت کے لیے ریکارڈ منافع اور ڈیویڈنڈز کے باوجود، سہ ماہی کے دوران مارکیٹ کی ناقص کارکردگی درج ذیل عوامل سے منسوب کی جاسکتی ہے۔ پڑوسی افغانستان میں پاکستان پر ممکنہ پھیلنے والے اثرات کے ساتھ سرمایہ کار پاک امریکہ تعلقات تبدیل ہونیکے بارے میں پریشان دکھائی دیے۔ سرمایہ کاروں کی ناراضگی میں مزید اضافہ کیا بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) نے جو کہ اگست 2021 میں تقریباً 1.5 بلین امریکی ڈالر اور پچھلے مہینے میں 800 ملین امریکی ڈالر تھا۔ مزید برآں، امریکی ڈالر کے مقابلے پاکستانی روپیہ کی مسلسل قدر میں کمی کے ساتھ ساتھ صنعتی خام مال اور توانائی کی بڑھتی ہوئی قیمتوں نے کارپوریٹ منافع بخش نقطہ نظر پر تشویش کو جنم دیا ہے۔ کھپت کی وجہ سے طلب کے دباؤ پر قابو پانے کے لیے، اسٹیٹ بینک کے 20 ستمبر 2021 کو منعقدہ اپنے ایم پی سی اجلاس میں پالیسی کی شرح میں 0.25 فیصد اضافے کے فیصلے کو بھی مارکیٹ میں نہیں سراہا گیا۔ مارکیٹ چہ مگوئیوں کے مطابق، انڈیکس میں مسلسل کمی کے بعد مارجن کالز وصول کرنے والے ریٹیل سرمایہ کاروں کی لیورجڈ پوزیشنز نے سہ ماہی کے اختتام پر ایکوئٹیز کی فروخت میں بھی اضافہ کردیا۔ دوسری طرف، مارکیٹ نے بیرونی اکاؤنٹ کے محاذ پر مثبت پیش رفت کو نظر انداز کیا، سہ ماہی کے دوران خاص طور پر روشن ڈیجیٹل اکاؤنٹ (RDA) میں 849 ملین امریکی ڈالر کی ریکارڈ آمد ہوئی ہے، جس سے مجموعی آمد 2.4 بلین ڈالر اور SDR ایلوکیشن کی مد میں آئی ایم ایف سے 2.7 بلین امریکی ڈالر کی وصولی ہوئی۔

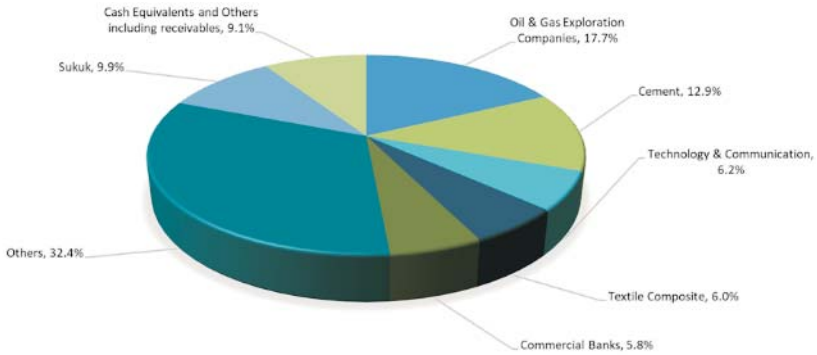
مارکیٹ کی سیکٹر وائز کارکردگی کو دیکھتے ہوئے، آٹو موبائل اسمبلرز اور اسیسریز، سیمنٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس ایکسپلوریشن اور مارکیٹنگ کمپنیاں، کاغذ اور بورڈ، ریفائنریز اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے ابتر کارکردگی کا مظاہرہ کیا جبکہ کیمیکلز، کمرشل بینک، کھاد، خوراک اور ذاتی نگہداشت، گلاس اینڈ سرامکس، پاور جنریشن اور ڈسٹری بیوشن، ٹیکنالوجی اور ٹیکسٹائل کمپوزٹس سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ شراکت دار سرگرمی کے لحاظ سے، افراد، دیگر آرگنائزیشن، اور بینک/DFIs بالترتیب 33 ملین امریکی ڈالر، 27 ملین امریکی ڈالر اور 21 ملین امریکی ڈالر کی خالص آمد کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 83 ملین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں سب سے بڑے فروخت کنندگان تھے۔

کارپوریٹ سکوک کے لئے ابتدائی مارکیٹ کی زیادہ طلب کے مقابلہ میں رسد کم رہی۔ ثانوی منڈی میں، کارپوریٹ سکوک میں تجارتی سرگرمی غیر معمولی طور پر کم رہی جس کی مجموعی تجارتی قدر مالیاتی سال 2021ء کی پہلی سہ ماہی میں 5.6 بلین روپے کے مقابلہ میں مالیاتی سال 2022ء کی پہلی سہ ماہی میں 0.8 بلین روپے رہی۔ CPI کی طرف سے پیمائش کردہ افراطِ زر گزشتہ ماہ میں 8.4% اور ستمبر 2020 میں 9.0% کے مقابلے ستمبر 2021 میں سالانہ بنیاد پر تقریباً 9.0% رہی۔ خوراک کے اجزاء کی قیمتوں میں تیز اضافہ کے درمیان، CPI ستمبر 2020 میں 1.5% بڑھنے کے مقابلے ستمبر 2021 میں ماہانہ بنیاد پر 2.1% تک بڑھ گیا۔ تقریباً پندرہ ماہ تک پرانا نظام برقرار رکھنے کے بعد، 20 ستمبر کو منعقدہ اپنے اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 بیسز پوائنٹس کے اضافہ کے ساتھ 7.25% تک زیادہ کردی۔ مطلوبہ موزوں پالیسی مکس کو تسلیم کرتے ہوئے، اسٹیٹ بینک نے حوالہ دیا کہ "غیر متوقع حالات کی عدم موجودگی میں، آگے دیکھتے ہوئے، ایم پی سی توقع کرتی ہے کہ مالیاتی پالیسی مستقبل قریب میں موزوں رہے گی، ممکنہ طور پر مزید بتدریج کمی آئے گی۔"

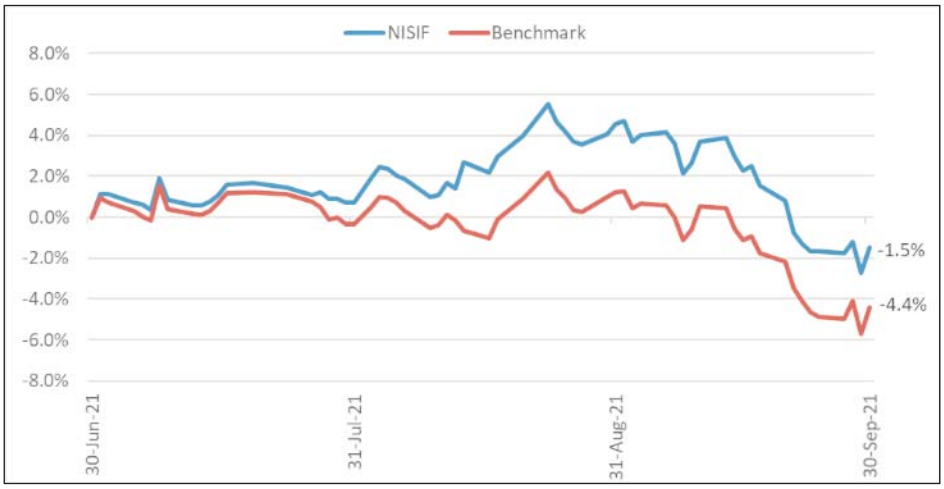
NBP اسلامک سرمایہ اضافہ فنڈ کا سائز اس مدت میں 5,611 ملین روپے سے کم ہوکر 5,051 ملین روپے ہوگیا، یعنی 10% کی کمی ہوئی۔ اس مدت کے دوران، NBP اسلامک سرمایہ اضافہ فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 16.7187 روپے سے کم ہوکر 30 ستمبر 2021 کو 16.4731 روپے ہوگئی، لہٰذا 1.5% کی کمی دیکھائی گئی۔ اسی مدت کے دوران بینچ مارک کم ہوکر 4.4% ہوگیا تھا۔ لہٰذا فنڈ کی کارکردگی زیرِ جائزہ مدت کے دوران اپنے بینچ مارک سے 2.9% بہتر رہی۔ اپنے قیام کے بعد 26 اکتوبر 2007 سے فنڈ کا NAV 3.5318 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2021 کو 16.4731 روپے ہوگئی، یعنی 366.4% کا اضافہ ہوا۔ اس مدت کے دوران بینچ مارک 211.6% سے بڑھا۔ لہٰذا فنڈ نے 154.8% کی بہتر کارکردگی دکھائی۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پرویژننگ واپس کردی گئی۔ اس فراہمی کی واپسی نے فنڈ کے NAV میں غیر معمولی اضافہ کیا۔ یہ ایک پہلا موقع ہے جو مستقبل میں دوبارہ نہیں آئے گا۔

NBP اسلامک سرمایہ اضافہ فنڈ کو اس مدت کے دوران 11.05 ملین روپے کا نقصان ہوا۔ 53.63 ملین روپے کے اخراجات منہا کرنے کے بعد مجموعی نقصان 64.68 ملین روپے ہے۔

30 ستمبر 2021 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NISIF کی کارکردگی بمقابلہ بینچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اُٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو **ڈائریکٹر**

تاریخ: 29 اکتوبر 2021

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2021

	Note	Un-Audited September 30, 2021	Audited June 30, 2021
		(Rupees in '000)	
Assets			
Balances with banks		**538,594**	673,761
Investments	4	**4,589,126**	5,131,729
Dividend and profit receivable		**49,051**	16,207
Receivable against transfer of units		**4,461**	4,569
Advances, Deposits, prepayments and other receivable		**6,478**	38,907
Total assets		**5,187,710**	5,865,173
Liabilities			
Payable to NBP Fund Management Limited -- Management Company		**88,724**	83,529
Payable to Central Depository Company of Pakistan Limited - Trustee		**580**	633
Payable to Securities and Exchange Commission of Pakistan		**275**	1,166
Payable against redemption of units		**13,771**	21,117
Payable against purchase of Investments		**-**	3,120
Accrued expenses and other liabilities		**33,683**	144,192
Total liabilities		**137,033**	253,757
Net Assets		**5,050,677**	5,611,416
Unit Holders' Funds (as per statement attached)		**5,050,677**	5,611,416
Contingencies and Commitments	6	-	-
		--------Number of units-------	
Number of units in issue		**306,601,138**	335,637,170
		--------Rupees-------	
Net asset value per unit		**16.4731**	16.7187

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 QUARTER ENDED SEPTEMBER 30, 2021

	Note	Quarter Ended September 30, 2021	September 30, 2020
INCOME		(Rupees in '000)	
(Loss) / Gain on sale of investments - net		**(153)**	100,162
Income from Sukuk		**11,585**	41,420
Profit on bank deposits		**8,814**	13,119
Dividend income		**57,515**	12,392
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		**(178,755)**	405,697
Total (loss) / Income		**(100,994)**	572,790
EXPENSES			
Remuneration of NBP Fund Management Limited -- Management Company		**20,638**	21,383
Sindh Sales Tax on remuneration of the Management Company		**2,683**	2,780
Allocation of operational expenses to the Management Company		**2,559**	1,426
Selling and marketing expenses charged by the Management Company	7	**24,361**	21,383
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**1,628**	1,678
Sindh Sales Tax on remuneration of the Trustee		**212**	218
Annual fee - Securities and Exchange Commission of Pakistan		**275**	285
Securities transaction cost		**631**	1,266
Settlement and bank charges		**152**	318
Annual listing fee		**7**	7
Auditors' remuneration		**115**	115
Fund rating fee		**70**	62
Other expenses		**4**	4
Shariah advisor fee		**268**	268
Legal and Professional charges		**28**	28
Total Expenses		**53,631**	51,221
Net (loss) / Income from operating activities		**(154,625)**	521,569
Reversal / (Provision) for sindh workers' welfare fund	5	**89,944**	(10,431)
Net (loss) / Income for the period before taxation		**(64,681)**	511,138
Taxation	8	-	-
Net (loss) / Income for the period after taxation		**(64,681)**	511,138
Allocation of Net income for the period:			
Net income for the period after taxation		**-**	511,138
Income already paid on units redeemed		**-**	(55,769)
		-	455,369
Accounting income available for distribution:			
- Relating to Capital Gains		**-**	449,891.00
- Excluding Capital Gains		**-**	5,478.00
Accounting Income available for Distribution		**-**	**455,369**

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
Net (loss) / Income for the period after taxation	**(64,681)**	511,138
Other comprehensive income	**-**	-
Total comprehensive (loss) / Income for the period	**(64,681)**	511,138

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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021			Quarter Ended September 30, 2020		
	(Rupees in '000)					
	Capital Value	**Undistributed income**	**Total**	Capital Value	Undistributed income	Total
Net assets at beginning of the year	**5,536,910**	**74,507**	**5,611,416**	5,544,770	(500,800)	5,043,970
Issuance of 26,522,379 units (September 30,2020: 82,876,466 units)						
- Capital value	**443,420**	**-**	**443,420**	1,175,611	-	1,175,611
- Element of income	**7,577**	**-**	**7,577**	107,826	-	107,826
Total proceeds on issuance of units	**450,997**	**-**	**450,997**	1,283,437	-	1,283,437
Redemption of 55,558,411 units (September 30,2020: 61,755,755 units)						
- Capital value	**(928,864)**	**-**	**(928,864)**	(876,012)	-	(876,012)
- Element of loss	**(18,191)**	**-**	**(18,191)**	(22,912)	(55,769)	(78,681)
Total payments on redemption of units	**(947,055)**	**-**	**(947,055)**	(898,924)	(55,769)	(954,693)
Total comprehensive (loss) / income for the period	**-**	**(64,681)**	**(64,681)**	-	511,138	511,138
Net assets at end of the period	**5,040,852**	**9,826**	**5,050,677**	5,929,283	(45,431)	5,883,852
Undistributed income / (loss) brought forward						
- Realised (loss)		**(718,426)**			(570,849)	
- Unrealised income		**792,932**			70,049	
		74,507			(500,800)	
Accounting income available for distribution						
- Relating to capital gain		**-**			**449,891**	
- Excluding capital gain		**-**			**5,478**	
		-			**455,369**	
Net (loss) for the year after taxation		**(64,681)**			-	
Undistributed income / (loss) carried forward		**9,826**			**(45,431)**	
Undistributed income carried forward						
- Realised income / (loss)		**188,581**			(451,128)	
- Unrealised (loss) / income		**(178,755)**			405,697	
		9,826			(45,431)	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			**16.7187**			14.1851
Net assets value per unit at end of the period			**16.4731**			15.6193

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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period after taxation	**(64,681)**	511,138
Adjustments		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**178,755**	(405,697)
gain / (loss) on sale of investments	**153**	(100,162)
(Provision) / Reversal for Sindh workers' welfare fund	**(89,944)**	10,431
	24,283	15,710
Decrease in assets		
Receivable against sale of investments	**-**	-
Investments	**363,694**	330,292
Dividend and profit receivable	**(32,844)**	(30,401)
Advances, Deposits, prepayments and other receivable	**32,429**	69
	363,279	299,960
(decrease) in liabilities		
Payable to Management Company	**5,195**	8,557
Payable against purchase of investments	**(3,120)**	-
Payable to Trustee	**(53)**	86
Payable to Securities and Exchange Commission of Pakistan	**(891)**	(784)
Accrued expenses and other liabilities	**(20,565)**	(34,528)
	(19,434)	(26,669)
Net cash generated from operating activities	**368,129**	289,002
CASH FLOW FROM FINANCING ACTIVITIES		
Net Receipts from issue of units	**451,105**	1,274,676
Net Payments on redemption of units	**(954,401)**	(960,948)
Net cash (used in) / generated from financing activities	**(503,296)**	313,728
Net (decrease) / increase in cash and cash equivalents during the period	**(135,168)**	602,730
Cash and cash equivalents at the beginning of the period	**673,761**	622,432
Cash and cash equivalents at the end of the period	**538,594**	1,225,162

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 QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Sarmaya Izafa 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 August 20, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on October 07, 2013 for the change of name and categorization of the Fund as a shariah compliant asset allocation scheme.

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 and categorised as an islamic asset allocation scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The 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 shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company on June 23, 2021 and has assigned 3-Star performance ranking on 06-Aug-2021

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

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These 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, 2021.

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 September 30, 2021.

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

3 SUMMARY OF 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, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

4 INVESTMENTS

	Note	**(Un-audited) September 30, 2021**	(Audited) June 30, 2021
		(Rupees in '000)	
Financial assets 'at fair value through profit or loss'			
Listed equity securities	4.1	**4,088,606**	4,531,878
Sukuks	4.2	**500,520**	599,851
		4,589,126	5,131,729

4.1 Listed equity securities

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right issue	Sold during the period	As at September 30, 2021	Market value as at September 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	Number of shares					Rupees in '000	%		
All shares have a nominal face value of Rs. 10 each except for shares of K-Electric Limited, Thal limited and Agriautos Industries Company Limited. which have a face value of Rs. 5 .									
OIL AND GAS MARKETING COMPANIES									
Attock Petroleum Limited	104,680				104,680	30,357	0.60	0.66	0.13
Pakistan State Oil Company Limited (4.1.1)	585,071			12,000	573,071	115,182	2.28	2.51	0.21
Hascol Petroleum Limited	3,424				3,424	22	-	-	0.00
Sui Northern Gas Pipelines Limited	623,000			50,000	573,000	26,060	0.52	0.57	0.54
OIL AND GAS EXPLORATION COMPANIES									
Oil and Gas Development Company Limited	3,147,000				3,147,000	263,719	5.22	5.75	0.07
Pakistan Oilfields Limited (4.1.1)	166,332			2,000	164,332	61,682	1.22	1.34	0.07
Pakistan Petroleum Limited (4.1.1)	3,107,069	9,600			3,116,669	233,470	4.62	5.09	0.16
Mari Petroleum Company Limited	215,185				215,185	334,261	6.62	7.28	0.09
REFINERY									
National Refinery Limited	-				-				
CHEMICALS									
Dynea Pakistan Limited	2,500				2,500	568	0.01	0.01	0.00
ICI Pakistan Limited	46,000				46,000	36,504	0.72	0.80	0.05
Descon Oxychem Limited	260,000			260,000	-	-	-	-	-
Engro Polymer & Chemicals Limited	3,197,000			85,000	3,112,000	171,378	3.39	3.73	2.06
PAPERS AND BOARD									
Cherat Packaging Limited	-				-		-	-	-
Roshan Packages Limited	199,500				199,500	4,968	0.10	0.11	0.14
FOOD AND PERSONAL CARE PRODUCTS									
Al Shaheer Corporation Limited	705,312			393,524	311,788	4,427	0.09	0.10	0.22
Unity Foods Limited	743,074			743,074	-				
ENGINEERING									
International Steels Limited	162,120				162,120	12,355	0.24	0.27	0.04
International Industries Limited	99,300				99,300	16,560	0.33	0.36	0.08
Agha Steel Limited	1,695,500			673,000	1,022,500	28,109	0.56	0.61	7.75
Mughal Iron And Steel Industries Limited	1,449,816				1,449,816	141,531	2.80	3.08	0.25
Aisha Steel Mills Limited	-	8,000	-	-	8,000	167	-	-	0.00
CEMENT									
D.G. Khan Cement Company Limited	558,386			324,997	233,389	20,636	0.41	0.45	0.20
Lucky Cement Limited	478,605			11,300	467,305	337,815	6.69	7.36	0.14
Maple Leaf Cement Factory Limited	1,014,852			226,500	788,352	27,750	0.55	0.60	0.15
Attock Cement Pakistan Limited	58,500	30,100			88,600	12,480	0.25	0.27	0.64
Kohat Cement Company Limited	917,410	60,000		500	976,910	167,970	3.33	3.66	4.86
Fauji Cement Company Limited	4,331,500				4,331,500	77,750	1.54	1.69	3.14
Cherat Cement Company Limited	126,900			126,900	-		-	-	-
FECTO Cement Limited	239,200				239,200	5,739	0.11	0.13	0.48
TRANSPORT									
Pakistan National Shipping Corporation	-				-		-	-	-
Pakistan International Bulk Terminal	1,926,000				1,926,000	17,161	0.34	0.37	1.08

Name of the investee company	As at July 01, 2021	Purchased during the period	Bonus / right issue	Sold during the period	As at September 30, 2021	Market value as at September 30, 2021	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	Number of shares					Rupees in '000	%		
TEXTILE COMPOSITE									
Nishat Mills Limited	1,470,300			117,600	1,352,700	122,906	2.43	2.68	0.38
Kohinoor Textile Mills Limited	1,584,380	10,500		3,500	1,591,380	110,521	2.19	2.41	11.93
Interloop Limited	948,877				948,877	67,532	1.34	1.47	0.11
Synthetic Products Limited	546				546	22	-	-	0.00
FERTILIZER									
Engro Corporation Limited (4.1.1)	1,186,047			143,000	1,043,047	291,792	5.78	6.36	0.20
Engro Fertilizers Limited	177,490			177,490	-		-	-	-
POWER GENERATION AND DISTRIBUTION									
The Hub Power Company Limited (4.1.1)	3,816,455			143,000	3,673,455	270,109	5.35	5.89	0.32
Lalpir Power Limited	370,000				370,000	5,805	0.11	0.13	0.10
COMMERCIAL BANKS									
Meezan Bank Limited	1,837,401		272,610	20,000	2,090,011	292,455	5.79	6.37	0.21
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	77,130				77,130	82,776	1.64	1.80	0.17
Honda Atlas Cars (Pakistan) Limited	62,500				62,500	16,466	0.33	0.36	0.04
AUTOMOBILE PARTS AND ACCESSORIES									
Baluchistan Wheels Limited	234,500				234,500	18,000	0.36	0.39	1.76
Thal Limited	1				1		-	-	0.00
Panther Tyres Limited	473,000		94,600		567,600	28,074	0.56	0.61	0.41
Agriautos Industries Co. Ltd.	1,400				1,400	315	0.01	0.01	0.00
PHARMACEUTICALS									
Glaxo Smith Kline Consumer Healthcare	13,000			6,300	6,700	1,709	0.03	0.04	0.02
IBL HealthCare Limited	122,000			35,500	86,500	7,810	0.15	0.17	0.07
Abott Laboratries Pakistan Limited	24,000	-	-	-	24,000	18,549	0.37	0.40	0.04
The Searle Company Limited	352,937	21,200		35,000	339,137	68,340	1.35	1.49	0.29
AGP Limited	357,900	15,000		240,900	132,000	15,152	0.30	0.33	0.09
Citi Pharma Limited		797,833		219,000	578,833	26,001	0.51	0.57	2.07
TECHNOLOGY AND COMMUNICATION									
Avanceon Limited	14,322				14,322	1,767	0.03	0.04	0.01
Netsol Technologies Limited	-				-	-	-	-	-
Tpl Trakker Limited	1,298,500			814,000	484,500	8,266	0.16	0.18	0.26
Systems Limited	426,360			8,500	417,860	303,997	6.02	6.62	0.40
CABLE AND ELECTRICAL GOODS									
Pak Elektron Limited	1,139,000			162,000	977,000	26,916	0.53	0.59	0.20
LEATHER & TANNERIES									
Service GlobalFootwear Limited	262,622				262,622	11,789	0.23	0.26	0.13
GLASS AND CERAMICS									
Tariq Glass Industries Limited	659,500				659,500	66,906	1.32	1.46	0.90
Shabbir Tiles and Ceramics Limited	2,382,500				2,382,500	72,619	1.44	1.58	0.24
Ghani Value Glass Limited	61,100				61,100	3,391	0.07	0.07	1.05
MISCELLANEOUS									
Pakistan Aluminium Beverage Cans Limited	-	559,548	-	559,548	-		-	-	-
Grand Total					**41,801,862**	**4,088,606**	**80.95**	**89.09**	
Carrying value before mark to market as at September 30, 2021						**4,268,029**			

4.1.1 Investments include shares with market value of Rs. 103.268 million (June 30, 2021: Rs. 111.967 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 Securities and Exchange Commission of Pakistan.

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

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in the financial statements as the management is confident that the case will be decided in favor of the CISs.

Further, Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

4.2 Sukuks

Name of the investee company	Number of certificates				Market value as at September 30, 2021	Market value as at June 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021			Net assets	Market value of total investments	Issue size
					Rupees in '000		---------- % ----------		
Dubai Islamic Bank Pakistan Limited	129	-	-	129	132,612	132,608	2.63	2.89	0.03
Engro Powergen Thar (Pvt) Limited	20,000	-	20,000	-		100,000	-	-	-
The HUB Power Company Limited	3,000	-	-	3,000	306,075	305,984	6.06	6.67	0.43
Engro Polymer Chemical Limited	86,066	-	-	86,066	61,833	61,260	1.22	1.35	9.84
Market value as at September 30, 2021					**500,520**				
Carrying value as at September 30, 2021					**499,852**				

4.3.1 Other particulars of sukuks outstanding as at September 30,2021 are as follows

Name of the investee company	Face value (unredeemed)	Mark-up rate per annum	Rating	Issue Date	Maturity date
Dubai Islamic Bank Pakistan Limited (Face value per certificate is Rs. 1,000,000)	1,000,000	6 months KIBOR offer rate + 0.50% Spread	AA-	July 14, 2017	July 14, 2027
Engro Powergen Thar (Pvt) Limited	5,000	3 months KIBOR offer rate + 1.10% Spread	A	August 2, 2019	August 2, 2024
The HUB Power Company Limited (Face value per certificate is Rs. 100,000)	100,000	3 months KIBOR offer rate + 1.90% Spread	AA+	August 22, 2019	August 22, 2023
Engro Polymer Chemical Limited (Face value per certificate is Rs. 100,000)	100,000	3 months KIBOR offer rate + 0.90% Spread	AA	January 11, 2019	July 11, 2026

4.4 Non-performing sukuk classified as fair value through profit and loss

Name of the investee company	Note	Number of certificates				Market value as at September 30, 2021	Investment as a percentage of		
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021		Net assets	Market value of total investments	Issue size
						Rupees in '000	%		
All sukuks have a face value of Rs. 5,000 each.									
Eden Housing Limited	4.4.1	5,000	-	-	5,000	-	-	-	-
Carrying value as at September 30, 2021						4,922			
Accumulated impairment						4,922			

4.4.1 This represents investment in privately placed sukuks with a term of five years. On May 6, 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per Circular no. 1 of 2009 and Circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

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

5 PROVISION FOR SINDH WORKERS' WELFARE FUND (SWWF)

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

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP ISLAMIC SARMAYA IZAFA FUND amounting to Rs. 91.54 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP ISLAMIC SARMAYA IZAFA FUND by 1.69% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

6 CONTINGENCIES AND COMMITMENTS

There were no commitments as on September 30, 2021 and June 30, 2021.

7 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 1.80% per anum of the net assets of the Fund.

8 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 as cash dividend. 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, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these consdensed interim financial statements.

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

9 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 3.90% (September 30, 2020: 4.32%) which includes 0.23% (September 30, 2020: 0.96%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 4.50% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Complaint Asset Allocation" scheme.

10 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed specific disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of Investment	Value of investment before provision	Provision held	Value of investment after provision	% of net assets
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuks	4,922	(4,922)	-	-

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

11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

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

Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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

	Un-Audited	
	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
11.1 Details of the transactions with connected persons are as follows:	**(Rupees in '000)**	
NBP Fund Management Limited - Management Company		
Management fee expense for the period	**20,638**	21,383
Sindh Sales Tax for the period on Management Fee	**2,683**	2,780
Sales and transfer load for the period	**84**	2,426
Sales tax on Sales and transfer load for the period	**11**	-
Accounting and operational charges to the Management Company	**2,559**	1,426
Selling and marketing expenses	**24,361**	21,383
ADC charges including sales tax during the period	**2**	-
International Steel Limited (Common directorship with the Management Company)		
Shares Sold Nil (2020: 274,000)	**-**	17,426
Dividend income	**1,135**	-
Bank Islami Pakistan Limited (Common directorship with the Management Company)		
Profit on bank deposits	**558**	1,362
Taurus Securities (Private) Limited		
Brokerage	**20**	49
Pakistan Stock Exchange Limited*		
Listing Fee Paid	**-**	25
The Hub Power Company Limited*		
Sale of shares Nil (2020: 450,500 shares)	**-**	36,467
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	**1,628**	1,678
Sindh Sales Tax on Trustee Fee	**212**	218
CDS charges	**78**	78
Emloyees of the Management Company		
Units Issued / Trasferred In 355,130 (2020: 1,258,286 units)	**5,878**	19,289
Units Redeemed / Transferred Out 165,461 units (2020: 887,697 units)	**2,768**	13,740

	Un-Audited	
	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020
	(Rupees in '000)	
National Clearing Company of Pakistan Limited		
NCCPL Charges	**74**	148
NBP Riba Free Savings Fund		
Purchased GoP Ijarah Sukuk	**-**	297,813
NBP Islamic Stock Fund		
Sold equity shares Nil (2021: 671,500)	**-**	47,740
NBP Islamic Income Fund		
Sold of Engro Powergen Thar (Pvt) Limited Sukuk	**102,133**	-
Portfolio managed by the management company		
Units Issued / Trasferred In 202,518 (2020: Nil units)	**3,450**	-

**Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties*

	Un-Audited As at September 30, 2021	Audited As at June 30, 2021
	(Rupees in '000)	
11.2 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Management Fee payable	**6,464**	7,169
Sindh Sales Tax on remuneration of the Management Company	**840**	932
Operational expenses	**2,559**	2,174
Sales load	**30,928**	24,296
Sindh Sales Tax and Federal Excise Duty on sales load	**23,442**	23,595
Selling and Marketing Expenses	**24,361**	25,363
ADC Charges Payable including sales tax	**130**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**513**	560
Sindh Sales Tax on remuneration of the Trustee	**67**	73
CDS charges	**298**	257
Security deposit	**100**	100
National Bank of Pakistan (Parent of the Management Company)		
Bank balances	**158,572**	158,526
Markup Accrued	**2,575**	8
The Hub Power Company Limited*		
Ordinary shares held Nil (30 June 2021: 3,816,455 shares)	**-**	304,057
Investment in Sukuk	**-**	305,984
Profit receivable	**-**	3,077

	Un-Audited As at September 30, 2021	Audited As at June 30, 2021
	(Rupees in '000)	
International Steel Limited (Common directorship with the Management Company)		
Ordinary shares held 162,120 (30 June 2021: 162,120 shares)	**12,355**	15,144
Dividend receivable	**1,135**	-
International Industries Limited (Common directorship with the Management Company)		
Ordinary shares held: Nil shares (30 Jun 2021: 99,300 shares)	**-**	20,954
National Clearing Company of Pakistan Limited (Common directorship with the Management Company)		
NCCPL Charges Payable	**551**	388
Security Deposit	**2,500**	2,500
Bank Islami Pakistan Limited (Common directorship with the Management Company)		
Bank balances in saving accounts	**62,911**	23,083
Mark-up accrued	**268**	1
Employees of the Management Company		
Investment held in the Fund 371,990 units (30 June 2021: 197,093 units)	**6,128**	3,295
Portfolio managed by the management company		
Investment held in the Fund 202,518 units (30 June 2021: Nil units)	**3,336**	-
Cherat Cement Company Limited*		
Ordinary shares held: Nil shares (30 Jun 2021: 126,900 shares)	**-**	22,510
Askari Bank Limited*		
Bank balances	**-**	11
Mark-up accrued	**-**	4
Summit Bank Limited*		
Bank balances	**-**	9,733

*Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on October 29, 2021.

13 GENERAL

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

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

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@nbpfunds.com
Website: www.nbpfunds.com
/nbpfunds