

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



Islamic Savings

اسلامک سیونگ

NBP Fund Management Limited



NAFA ISLAMIC PENSION FUND

ANNUAL REPORT
2022

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	07
TRUSTEE REPORT TO THE PARTICIPANT SUB' FUNDS	15
FUND MANAGER REPORT	16
STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES	19
REPORT OF THE SHARIAH SUPERVISORY BOARD	20
INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES	22
INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANT SUB' FUNDS	24
STATEMENT OF ASSETS AND LIABILITIES	26
INCOME STATEMENT	27
STATEMENT OF COMPREHENSIVE INCOME	28
STATEMENT OF MOVEMENT IN PARTICIPANT SUB' FUNDS	29
CASH FLOW STATEMENT	30
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	31
PROXY ISSUED BY THE FUND	74

FFUND'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 Shakra-e-Faisal, Karachi.

Bankers to the Fund

Allied Bank Limited
Bank Islami Pakistan Limited
Bank Al Habib Limited
Faysal Bank Limited
Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Al Baraka Bank Limited
United Bank Limited
Meezan Bank Limited

Auditor

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

Legal Advisor

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

Head Office

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

Lahore Office

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

Islamabad Office

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

Peshawar Office

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

Multan Office

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

Board of Directors



Dr. Amjad Waheed, CFA
Chief Executive Officer



Shaikh Muhammad Abdul Wahid Sethi
Chairman



Mr. Khalid Mansoor
Director



Mr. Humayun Bashir
Director



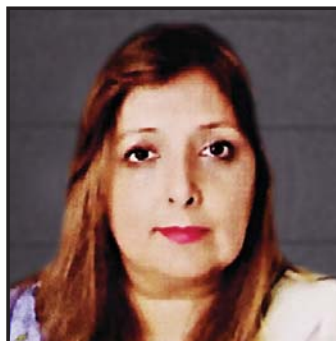
Mr. Tauqeer Mazhar
Director



Mr. Ali Saigol
Director



Mr. Saad Amanullah Khan
Director



Ms. Mehnaz Salar
Director



Mr. Imran Zaffar
Director

Senior Management



Dr. Amjad Waheed, CFA
Chief Executive Officer



Mr. Muhammad Murtaza Ali
Chief Operating Officer &
Company Secretary



Mr. Asim Wahab Khan, CFA
Chief Investment Officer



Mr. Ozair Khan
Chief Technology Officer



Mr. Salim S Mehdi
Chief Innovation &
Strategy Officer



Mr. Samiuddin Ahmed
Country Head Corporate Marketing



Mr. Khalid Mehmood
Chief Financial Officer



Mr. Salman Ahmed, CFA
Head of Fixed Income



Mr. Hassan Raza, CFA
Head of Research



Mr. Muhammad Umer Khan
Head of Human Resources &
Administration



Syed Sharoz Mazhar, CFA
Head of Business &
Sales Strategy



Mr. Zaheer Iqbal, ACA FPFA
Head of Operations



Mr. Waheed Abidi
Head of Internal Audit



Mr. Muhammad Imran, CFA, ACCA
Head of Portfolio Management



Syed Haseeb Ahmed Shah
Head of Compliance

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the Tenth Annual Report for the year ended June 30, 2022, since launch of **NAFA Islamic Pension Fund (NIPF)** on July 02, 2013.

Fund's performance

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2021	NAV Per Unit (Rs.) June 30, 2022	Performance Since Launch July 02, 2013
NIPF-Equity Sub-fund	1,330.5	373.9946	321.0868	13.7%
NIPF-Debt Sub-fund	828.1	156.3012	170.6381	6.0%
NIPF-Money Market Sub-fund	1,528.8	159.3954	173.5729	6.2%
Annualized Return	[Net of management fee & all other expenses]			

FY22 remained a disappointing year for stock market, as the KMI-30 index fell by around 10.3% on a yearly basis. This comes after robust return in FY21 when index surged by a healthy 39.3% YoY. Throughout the year, the market remained quite volatile and amid thin volumes, traded within a range showing lack of investors' interest.

The subdued equity market performance was despite robust corporate profitability of listed space, which for the first three quarters of FY22 stood at 25% and, even with the imposition of super tax, is expected to close in double digits. Investors remained focused on external numbers, especially the burgeoning current account deficit (CAD) which rose sharply to USD 17.3 billion in FY22 (up from USD 2.8 billion in FY21). Strong aggregate domestic demand and ongoing commodity super-cycle amidst the conflict between Russia & Ukraine worsened the external trade numbers. Market participants also remained wary of impact of elevated commodity prices on inflation, which averaged around 12.2% in FY22, with June-22 monthly inflation at multi-year high of 21.3%. The elevated contractual payments on financial account, due to impending external loan repayments, also raised concerns over solvency of the country. The international bond yields also pointed towards the same direction, with short tenure bonds trading at yield to maturities of around 50% at one point. To compress both the external imbalances and the rampant inflation, the central bank raised Policy Rates aggressively by a cumulative 6.75% in FY22. For the same reason, PKR also devalued by a whopping 30% during the year. The inordinate delay in resumption of IMF program remained another reason for nervousness in the market. The downgrade of Pakistan from MSCI Emerging Market to MSCI Frontier Market also took place during the year, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows, which also dented market performance. Lastly, there was heightened political uncertainty in the country as the ruling party lost its majority in the assembly and new coalition government was formed.

In terms of sector wise performance, Auto Assemblers, Chemicals, Commercial Banks, Fertilizers, Oil & Gas Exploration, and Power Generation & Distribution sectors outperformed the market. On the other hand, Auto Parts & Acc., Cable & Electrical Goods, Cements, Engineering, Food & Personal Care, Insurance, Oil & Gas Marketing, Pharmaceutical, Refinery, and Technology sectors lagged the market. On participants-wise market activity, Foreigners and Mutual Funds were the largest net sellers with outflows of around USD 298 million and USD 128 million, respectively. On the contrary, Individual & Bank/DFIs increased their net holdings by around USD 157 million and USD 115 million, respectively.

Trading activity in corporate sukuks further reduced as cumulative traded value stood at Rs. 4 billion compared to Rs. 16 billion in FY21. However, the fresh issuance of Shariah Compliant commercial papers helped the undersupplied market for long-term Shariah Compliant debt instruments to some extent. During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy Meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. During the second half, global economic conditions deteriorated due to Russia-Ukraine conflict and burgeoning commodity prices, which pushed all the central banks across the world to confront multi-year high inflation and challenging outlook. Domestically, the inflation trajectory also remained on an uptrend due to i) sharp

spike in prices of food component, ii) continued pressure on Rupee, iii) increase in utility tariffs, and iv) reversal of fuel subsidies. Inflation as measured by CPI clocked in at 21.3% in June-22 as against 9.7% during corresponding month last year. Gross foreign exchange reserves with SBP also shrunk to USD 9.8 billion at June-22 end compared to USD 17.3 billion a year ago. The outlook for inflation has deteriorated and risks to external stability have risen, with further rate hikes likely in the initial half of the upcoming year.

The equity sub-fund decreased by 14.1% during FY22 compared with 10.3% decrease in the KMI-30 Index during the same period.

The debt sub-fund yielded a return of 9.2% during FY22.

During FY22, the money market sub-fund posted a return of 8.9%. These returns are net of management fee and all other expenses.

The asset allocation of the Fund as on June 30, 2022 is as follows:

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	97.5%
Cash Equivalents	3.0%
Others	(0.5%)
Total	100.0%
Debt Sub-fund	
Sukuks	32.9%
Cash Equivalents	66.1%
Others	1.0 %
Total	100.0%
Money Market Sub-fund	
Sukuk	6.5%
Cash Equivalents	92.7%
Others	0.8%
Total	100.0%

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NAFA Islamic Pension Fund 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 on August 13, 2021 of the sub-Funds as detailed below. This is one-off event and is not likely to be repeated in the future.

	SWWF Reversed (Rs million)	Increase in NAV (%)
Equity Sub-fund	19.2	1.16%
Debt Sub-fund	2.9	0.41%
Money Market Sub-fund	3.5	0.32%

Auditors

The present auditors, Messrs Yousuf Adil Chartered Accountants, retired and, being eligible, offer themselves for re-appointment for the year ending June 30, 2023.

Directors' Statement in Compliance with best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

1. The financial statements, prepared by the management company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders' funds.
2. Proper books of account of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. A performance table/ key financial data is given in this annual report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements.
10. The Board of Directors of the Management Company held five meetings during the year.
11. The details of contribution table are disclosed in the note 18 to these financial statements.
12. All trades in the units of the Fund, carried out by directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in note 21 to these financial statements.
13. The Management Company encourages representation of independent non-executive directors on its Board. The Company, being an un-listed company, does not have any minority interest. As at June 30, 2022, the Board included:

Category	Names
Independent Directors	<ol style="list-style-type: none"> 1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
Executive Director	Dr. Amjad Waheed - Chief Executive Officer
Non-Executive Directors	<ol style="list-style-type: none"> 1. Shaikh Muhammad Abdul Wahid Sethi (Chairman) 2. Mr. Tauqeer Mazhar 3. Ms. Mehnaz Salar 4. Mr. Ali Saigol 5. Mr. Imran Zaffar

Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **September 27, 2022**

Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 02 جولائی 2013 کو قائم ہونے والے NAFA اسلامک پینشن فنڈ (NIPF) کی دسویں سالانہ رپورٹ برائے ختمہ سال 30 جون 2022ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

فنڈ کی کارکردگی

2 جولائی 2013 کو آغاز سے اب تک کارکردگی	NAV یونٹ (روپے) 30 جون 2022	NAV یونٹ (روپے) 30 جون 2021	فنڈ کا حجم (ملین روپے)	
13.7%	321.0868	373.9946	1,330.5	NIPF ایکویٹی سب فنڈ
6.0%	170.6381	156.3012	828.1	NIPF ڈیف سب فنڈ
6.2%	173.5729	159.3954	1,528.8	NIPF مٹی مارکیٹ سب فنڈ
(بیٹجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص)				سالانہ منافع

مالی سال 22 اسٹاک مارکیٹ کے لیے ایک مایوس کن سال رہا، کیونکہ 30-KMI انڈیکس سالانہ بنیادوں پر تقریباً 10.3 فیصد گر گیا۔ یہ کمی مالی سال 21 میں انڈیکس میں 39.3 فیصد سالانہ مستحکم اضافہ کے بعد ہوا۔ پورے سال کے دوران، مارکیٹ کم حجم کے کافی اتار چڑھاؤ کا شکار رہی، تجارت ایک حد کے اندر کی گئی اور سرمایہ کاروں کی دلچسپی میں کمی دکھائی دی۔

لسٹڈ کمپنیوں کے مستحکم کارپوریٹ منافع کے باوجود ایکویٹی مارکیٹ کی کارکردگی ناقص رہی، جو کہ مالی سال 22 کی پہلی تین سہ ماہیوں میں 25 فیصد رہی اور سپر ٹیکس کے نفاذ کے بعد نمودار ہندسوں میں رہنے کی توقع ہے۔ سرمایہ کاروں کی توجہ بیرونی اعداد پر مرکوز رہی، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) جو مالی سال 22 میں تیزی سے بڑھ کر 17.3 بلین امریکی ڈالر (FY21 میں 2.8 بلین امریکی ڈالر) ہو گیا۔ روس اور یوکرین کے درمیان تنازعہ کے باعث مضبوط مجموعی ملکی طلب اور اجناس کے جاری سپر سائیکل نے بیرونی تجارتی اعداد کو مزید خراب کر دیا۔ مارکیٹ کے شرکاء اجناس کی افراط زار اور زیادہ قیمتوں کے اثرات سے بھی جتنا رہے، جو کہ مالی سال 22 میں اوسط تقریباً 12.2 فیصد سے جون 22 میں ماہانہ افراط زار 21.3 فیصد کی کثیر سالہ بلند ترین سطح پر تھی۔ اس عرصے کے دوران بین الاقوامی بانڈ کے منافع میں خاطر خواہ اضافہ ہوا۔ دونوں، بیرونی عدم توازن اور بڑھتی ہوئی افراط زار کو کم کرنے کے لیے، مرکزی بینک نے مالی سال 22 میں مجموعی طور پر پالیسی کی شرحوں میں 6.75 فیصد تک جارحانہ اضافہ کیا۔ اسی وجہ سے، پاکستانی قدر میں بھی سال کے دوران 30% کی کمی ہوئی۔ آئی ایم ایف پروگرام کی دوبارہ بحالی ہونے میں غیر معمولی تاخیر مارکیٹ میں پریشانی کی دوسری اہم وجہ رہی۔ سال کے دوران MSCI ایمریکنگ مارکیٹ سے MSCI فرٹینئر مارکیٹ میں پاکستان کی تنزیل بھی ہوئی، جس سے غیر ملکی سرمایہ کاروں کی جانب سے دوبارہ توازن کی ضرورت پڑی جس کے نتیجے میں بڑے پیمانے پر غیر ملکی اخراج ہوا، جس نے مارکیٹ کی کارکردگی کو مزید نقصان پہنچایا۔ آخر، ملک میں سیاسی غیر یقینی صورتحال عروج پر پہنچ گئی کیونکہ حکمران جماعت اسمبلی میں اپنی اکثریت کھو بیٹھی اور نئی مخلوط حکومت قائم ہوئی۔

شعبہ جات کارکردگی کے لحاظ سے، آٹو اسمبلرز، کیمیکلز، کمرشل بینک، فریٹلائزر، آئل اینڈ گیس ایکسپلوریشن، اور پاور جنریشن اور ڈسٹری بیوشن سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری طرف، آٹو پارٹس اینڈ ایکسیسریز، کیمیکل اور ایکٹیو بیٹری سامان، سیمینٹ، انجینئرنگ، خوراک اینڈ ڈاٹا کنٹینٹ، انشورنس، آئل اینڈ گیس مارکیٹنگ، فارماسیوٹیکل، ریفاٹری اور ٹیکنالوجی کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر، غیر ملکی اور میوچل فنڈز بالترتیب 298 ملین امریکی ڈالر اور 128 ملین امریکی ڈالر کے اخراج کے ساتھ سب سے زیادہ خالص فروخت کنندگان رہے۔ اس کے برعکس، افراد اور بینک/DFIs نے اپنے خالص ہولڈنگز میں بالترتیب 157 ملین امریکی ڈالر اور 115 ملین امریکی ڈالر کا اضافہ کیا۔

کارپوریٹ سکوک میں تجارتی سرگرمی مزید کم ہوئی کیونکہ مجموعی تجارت مالی سال 21 میں 16 ملین روپے کے مقابلے 4 ملین روپے رہی۔ تاہم، شریعہ کمپلائنسٹ کمرشل سپر کے نئے اجراء سے طویل مدتی شریعہ کمپلائنسٹ قرضی آلات سے زبردستی مارکیٹ کو کچھ حد تک مدد ملی۔ مالی سال 22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے آٹھ (8) مانیٹری پالیسی اجلاس منعقد کئے اور اہم ملکی سیاسی شراور عالمی غیر یقینی صورتحال کی وجہ سے افراط زار کے دباؤ کا مقابلہ کرنے، معاشی استحکام کو یقینی بنانے اور بیرونی اور قیمتوں کے استحکام کی حفاظت کے لیے، ڈسکاؤنٹ کی شرح کو 8% سے بڑھا کر 14.75% کر دیا۔ دوسری ششماہی کے دوران، روس-یوکرین تنازعہ اور ایشیا کی بڑھتی ہوئی قیمتوں کی وجہ سے عالمی اقتصادی حالات خراب ہو گئے، جس نے دنیا بھر کے تمام مرکزی بینکوں کو کئی سالوں کی بلند افراط زار اور چیلنجنگ آؤٹ لک کا سامنا کرنے پر مجبور کر دیا۔ ملکی سطح پر، افراط زار میں بھی بڑھنے کا رجحان رہا جس کی وجہ سے (i) غذائی اجزاء کی قیمتوں میں تیزی سے اضافہ، (ii) روپیہ پر مسلسل دباؤ، (iii) یوٹیلیٹی ٹیرف میں

اضافہ اور iv) ایندھن کی سبسڈی کا ختم ہونا۔ CPI کی پیمائش کردہ افراط زر جون-22 میں 21.3 فیصد تک پہنچ گئی جو گزشتہ سال کے اسی مہینے کے دوران 9.7 فیصد تھی۔ اسٹیٹ بینک پاکستان کے پاس غیر ملکی زرمبادلہ کے مجموعی ذخائر بھی ایک سال قبل 17.23 بلین امریکی ڈالر کے مقابلے میں جون-22 کے آخر میں 9.8 بلین امریکی ڈالر تک کم ہو گئے۔ افراط زر کا نقطہ نظر خراب ہو گیا اور بیرونی استحکام کے لیے خطرات بڑھ گئے ہیں، آئندہ سال کی پہلی ششماہی میں شرح مزید بڑھنے کا امکان ہے۔

مالی سال 2022 کے دوران ایکویٹی سب فنڈ میں 14.1% کی کمی ہوئی، جبکہ اسی مدت کے دوران بچہ مارک KMI-30 انڈیکس میں 10.3% کی کمی ہوئی۔

مالی سال 22 کے دوران ڈیٹ سب فنڈ کو 9.2% کا منافع حاصل ہوا۔

مالی سال 22 کے دوران، منی مارکیٹ سب فنڈ نے 8.9% کا منافع درج کیا۔ یہ منافع پیچھے نہیں اور تمام دیگر اخراجات منہا کرنے کے بعد خالص ہے۔

30 جون 2022 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:

ایسٹ ایلوکیشن	(نیٹ ایسیٹس کا %)
ایکویٹی سب فنڈ	
ایکویٹی	97.5%
کیش کے مساوی	3.0%
دیگر	(0.5%)
کل	100.00%
ڈیٹ سب فنڈ	
سکوک	32.9%
کیش کے مساوی	66.1%
دیگر	1.0%
کل	100.00%
منی مارکیٹ سب فنڈ	
سکوک	6.5%
کیش کے مساوی	92.7%
دیگر	0.8%
کل	100.00%

سندھ ورکرز ویلفیئر فنڈ (SWWF)

مورنہ 12 اگست 2021 کو سندھ ریونیو بورڈ کی جانب سے ایک وضاحتی مراسلہ نمبر SRB/TP/70/2013/8772 میوچل فنڈ ز ایسوسی ایشن آف پاکستان کو بھیجا گیا جسکی رو سے پروویڈنٹنگ کو 13 اگست 2021 کو ریورس کر دیا گیا۔ پروویڈنٹ کی اس ریورس کے باعث NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جسکا مستقبل میں دوبارہ ہونے کا امکان نہیں ہے۔

Increase in NAV (%)	SWWF Reversed (Rs million)	
1.16%	19.2	INPF ایکویٹی سب فنڈ
0.41%	2.9	NPF ڈیٹ سب فنڈ
0.32%	3.5	NPF منی مارکیٹ سب فنڈ

آڈیٹر

موجودہ آڈیٹر، مہسز بوسف عادل، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اکاؤنٹنٹس، ریٹائرڈ ہو گئے ہیں اور اہل ہونے کی بنا پر 30 جون 2023 کو ختم ہونے والے سال کے لئے اپنے آپ کو تقرری کے لئے پیش کرتے ہیں۔

لسٹڈ کمپنیوں کے بورڈ آف کارپوریٹ گورننس ریگولیشنز 2017 ("CCG") کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

- 1 مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوا اور یونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2 فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 3 مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے۔ شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4 ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی، معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- 5 انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 6 فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 7 کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- 8 پرفارمنس ٹیبل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
- 9 ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10 اس مدت کے دوران مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔
- 11 تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 18 میں ظاہر کی گئی ہے۔
- 12 ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور کم عمر بچوں کی طرف سے کی جانے والی فنڈ کے بٹنٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 21 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدارانہ ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فرسٹ شدہ کمپنی ہونے کے ناطہ کوئی متاثری انٹریسٹ نہیں رکھتی۔ 30 جون 2022 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کیٹگری
•1 جناب خالد منصور •2 جناب سعدا مان اللہ خان •3 جناب ہمایوں بشیر	غیر جانبدار ڈائریکٹرز
ڈاکٹر امجد وحید (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر
•1 شیخ محمد عبدالواحد سیٹھی (چیئرمین) •2 جناب توقیر مظہر •3 محترمہ مہنا سالار •4 جناب علی سیگل •5 جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ 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 ڈسٹی 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 آفیسر

تاریخ: 27 ستمبر 2022ء

مقام: کراچی

TRUSTEE REPORT TO THE PARTICIPANTS

Report of the Trustee pursuant to Regulation 67D (viii) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NAFA Islamic Pension Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 28, 2022

FUND MANAGER REPORT

NAFA Islamic Pension Fund

NAFA Islamic Pension Fund is an open-ended Shariah Compliant Voluntary Pension Scheme

Investment Objective of the Fund

To provide a secure source of savings and regular income after retirement to the Participants.

Fund performance review

	Fund Size (Rs. in mln)	NAV Per Unit (Rs.) June 30, 2021	NAV Per Unit (Rs.) June 30, 2022	Performance Since Launch July 02, 2013
NIPF-Equity Sub-fund	1,330.5	373.9946	321.0868	13.7%
NIPF-Debt Sub-fund	828.1	156.3012	170.6381	6.0%
NIPF-Money Market Sub-fund	1,528.8	159.3954	173.5729	6.2%
Annualized Return	[Net of management fee & all other expenses]			

This is the ninth annual report of the Fund. FY22 remained a disappointing year for the stock market, as the KMI-30 index fell by around 10.3% on a yearly basis. This comes after robust return in FY21 when index surged by a healthy 39.3% YoY. Throughout the year, the market remained quite volatile amid thin volumes, traded within a range and showing lack of investors' interest.

The subdued equity market performance was despite robust corporate profitability of listed space, which for the first three quarters of FY22 stood at 25% and, even with the imposition of super tax, is expected to close in double digits. Investors remained focused on external numbers, especially the burgeoning current account deficit (CAD) which rose sharply to USD 17.3 billion in FY22 (up from USD 2.8 billion in FY21). Strong aggregate domestic demand and ongoing commodity super-cycle amidst the conflict between Russia & Ukraine worsened the external trade numbers. Market participants also remained wary of impact of elevated commodity prices on inflation, which averaged around 12.2% in FY22, with June-22 monthly inflation at multi-year high of 21.3%. The elevated contractual payments on financial account, due to impending external loan repayments, also raised concerns over solvency of the country. The international bond yields also pointed towards the same direction, with short tenure bonds trading at yield to maturities of around 50% at one point. To compress both the external imbalances and the rampant inflation, the central bank raised Policy Rates aggressively by a cumulative 6.75% in FY22. For the same reason, PKR also devalued by a whopping 30% during the year. The inordinate delay in resumption of IMF program remained another reason for nervousness in the market. The downgrade of Pakistan from MSCI Emerging Market to MSCI Frontier Market also took place during the year, necessitating rebalancing on part of foreign investors that resulted in sizeable foreign outflows, which also dented market performance. Lastly, there was heightened political uncertainty in the country as the ruling party lost its majority in the assembly and new coalition government was formed.

In terms of sector wise performance, Auto Assemblers, Chemicals, Commercial Banks, Fertilizers, Oil & Gas Exploration, and Power Generation & Distribution sectors outperformed the market. On the other hand, Auto Parts & Acc., Cable & Electrical Goods, Cements, Engineering, Food & Personal Care, Insurance, Oil & Gas Marketing, Pharmaceutical,

Refinery, and Technology sectors lagged the market. On participants-wise market activity, Foreigners and Mutual Funds were the largest net sellers with outflows of around USD 298 million and USD 128 million, respectively. On the contrary, Individuals & Bank/DFIs increased their net holdings by around USD 157 million and USD 115 million, respectively.

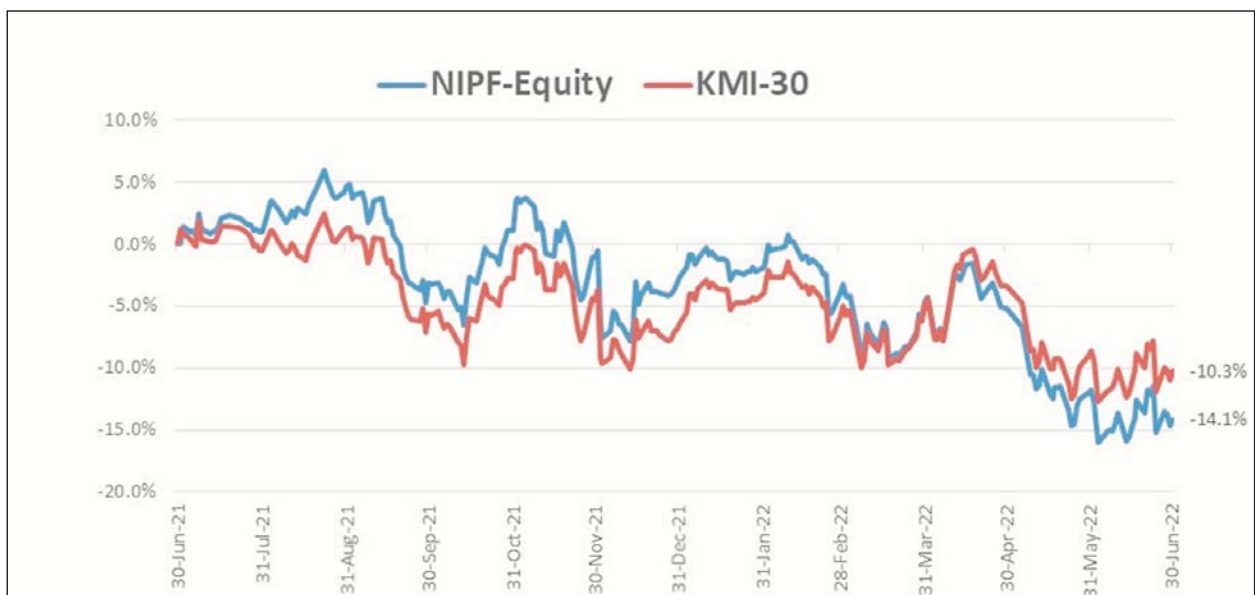
Trading activity in corporate sukuk further reduced as cumulative traded value stood at Rs. 4 billion compared to Rs. 16 billion in FY21. However, the fresh issuance of Shariah Compliant commercial papers helped the undersupplied market for long-term Shariah Compliant debt instruments to some extent. During FY22, State Bank of Pakistan (SBP) held eight (8) Monetary Policy Meetings and increased the discount rate from 8% to 14.75% - to counter inflationary pressures, ensure economic sustainability and safeguard external & price stability; owing to significant domestic political noise and global uncertainty. During the second half, global economic conditions deteriorated due to Russia-Ukraine conflict and burgeoning commodity prices, which pushed all the central banks across the world to confront multi-year high inflation and challenging outlook. Domestically, the inflation trajectory also remained on an uptrend due to i) sharp spike in prices of food component, ii) continued pressure on Rupee, iii) increase in utility tariffs, and iv) reversal of fuel subsidies. Inflation as measured by CPI clocked in at 21.3% in June-22 as against 9.7% during corresponding month last year. Gross foreign exchange reserves with SBP also shrunk to USD 9.8 billion at June-22 end compared to USD 17.3 billion a year ago. The outlook for inflation has deteriorated and risks to external stability have risen, with further rate hikes likely in the initial half of the upcoming year.

The equity sub-fund decreased by 14.1% during FY22 compared with 10.3% decrease in the KMI-30 Index during the same period.

The debt sub-fund yielded a return of 9.2% during FY22.

During FY22, the money market sub-fund posted a return of 8.9%. These returns are net of management fee and all other expenses.

NIPF-Equity Performance vs. KMI-30 during FY22



Asset Allocation of the Fund (% of NAV)

Asset Allocation (% of Net Assets)	
Equity Sub-fund	
Equity	97.5%
Cash Equivalents	3.0%
Others	(0.5%)
Total	100.0%
Debt Sub-fund	
Sukuks	32.9%
Cash Equivalents	66.1%
Others	1.0 %
Total	100.0%
Money Market Sub-fund	
Sukuk	6.5%
Cash Equivalents	92.7%
Others	0.8%
Total	100.0%

During the period under question

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The Fund does not have any soft commission arrangement with any broker in the industry.

Sindh Workers' Welfare Fund (SWWF)

On August 13, 2021, provisioning against Sindh Workers' Welfare Fund by NAFA Islamic Pension Fund 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 on August 13, 2021 of the sub-Funds as detailed below. This is one-off event and is not likely to be repeated in the future.

	SWWF Reversed (Rs million)	Increase in NAV (%)
Equity Sub-fund	19.2	1.16%
Debt Sub-fund	2.9	0.41%
Money Market Sub-fund	3.5	0.32%

STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

NAFA Islamic Pension Fund (the Fund) has fully complied with the Shari'ah principles specified in the Trust Deed and in the guidelines issued by the Shari'ah Advisor for its operations, investments and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shari'ah Supervisory Board of the Fund.

For and behalf of the board

Date: **September 27, 2022**
Karachi

Dr. Amjad Waheed, CFA
Chief Executive Officer

REPORT OF THE SHARIAH SUPERVISORY BOARD

September 12, 2022/Safar 15, 1444

Alhamdulillah, the period from July 1, 2021 to June 30, 2022 was the Ninth year of operations of NAFA Islamic Pension Fund (NIPF). This report is being issued in accordance with clause 5.13.7 of the Offering Document of the Fund. The scope of the report is to express an opinion on the Shari'ah Compliance of the Fund's activity.

We have prescribed six criteria for Shari'ah compliance of equity investments which relate to (i) Nature of business, (ii) Debt to total assets, (iii) Investment in Shari'ah Non-Compliant activities (iv) Shari'ah Non-Income from Non-Compliant Investments, (v) Illiquid assets to total assets, and (vi) Net liquid assets per share vs. share price.

It is the responsibility of the management company of the fund to establish and maintain a system of internal controls to ensure Shari'ah compliance in line with the Shari'ah guidelines. Our responsibility is to express an opinion, based on our review, to the extent where such compliance can be objectively verified. A review is limited primarily to inquiries from the management company's personnel and review of various documents prepared by the management company to comply with the prescribed criteria.

- i) We have reviewed and approved the modes of equity investments of NIPF in light of Shari'ah requirements. Following is a list of top investments of NIPF as on June 30, 2022 and their evaluation according to the screening criteria established by us. (December 31, 2021 accounts of the Investee companies have been used)

Company Name	(i) Nature of Business	(ii) Debt to Assets (<37%)	(iii) Non-Compliant Investments (<33%)	(iv) Non-Compliant Income to Gross Revenue (<5%)	(v) Illiquid Assets to Total Assets (>25%)	(vi) Net Liquid Assets vs. Share Price (B>A)	
						Net Liquid Assets per Share (A)	Share Price (B)
Mari Petroleum Company Limited	Oil and Gas Exploration Companies	0.45%	14.42%	2.86%	49.63%	312.41	1654.23
Oil & Gas Development Company Limited *	Oil and Gas Exploration Companies	0.00%	21.69%	4.22%	27.26%	116.37	86.2
Pakistan Petroleum Limited *	Oil and Gas Exploration Companies	0.00%	16.70%	2.53%	26.13%	96.98	79.04
Engro Corporation Limited	Fertilizer	34.95%	20.92%	3.32%	57.41%	(220.62)	
Lucky Cement Limited	Cement	29.13%	2.90%	3.05%	86.58%	(597.57)	
Hub Power Company Limited	Power Generation & Distribution	33.91%	3.85%	4.50%	58.76%	(42.73)	
Systems Limited	Technology	6.82%	4.26%	0.77%	43.71%	30.29	759.84

* Shares are considered 'Compliant' based on the reasoning mentioned in clause 8 of Shariah Standard 59.

- ii) On the basis of information provided by the management and the provisions of the Scheme, investments in equities made on account of NIPF are Shari'ah Compliant and in accordance with the criteria established by us.

- iii) There are investments made by NIPF where Investee companies have earned a part of their income from non-compliant sources (e.g. interest income received on bank deposits and etc). In such cases, the management company has been directed to set aside such proportion of the income from Investee companies as charity in order to purify the earnings of the Fund.

In light of the above, we hereby certify that nothing has come to our attention which causes to believe that the overall operations of NIPF for the year ended June 30, 2022 are not in compliance with the Shari'ah principles.

During the year, fund booked charity of amounting PKR 2,343,681/- wherein amount available for disbursement is PKR 2,232,469/-, which is inclusive of PKR 1,030,770 /- provisional amount of previous year adjusted after availability of the respective financial statements.

May Allah bless us with best Tawfeeq to accomplish our cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and On Behalf of Meezan Bank Limited
Shari'ah Technical Services and Support Provider

Mufti Muhammad Naveed Alam
Member
Shariah Supervisory Board

Mufti Ehsan Waqar
Shariah Advisor & Member
Shariah Supervisory Board

Dr. Imran Ashraf Usmani
Chairman
Shariah Supervisory Board

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

1. Introduction

We were engaged by the Board of Directors of NBP Fund Management Limited, Management Company of NAFA Islamic Pension Fund (the Fund) to report on Fund's compliance with the as set out in the annexed statement prepared by the Management Company for the year ended June 30, 2022, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of the Fund's Compliance with Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

2. Applicable criteria

The criteria against which the subject matter information (the statement) is assessed comprise of Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor.

The above criteria were evaluated for their implementation on the financial statements of the Fund for the year ended June 30, 2022.

3. Responsibilities of the Management Company

The Management Company is responsible for the preparation of the annexed statement that is free from material misstatement and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. The Management Company is also responsible to ensure that the financial arrangements and transactions having Shariah implications entered into by the Fund are in substance and their legal form are in compliance with the Shariah principles specified in the Trust Deed and guidelines issued by the Shariah Advisor.

4. Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial information, and other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements professional standards and applicable legal and regulatory requirements.

5. Our responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagement other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standards required that we plan and perform our procedures to obtain reasonable

assurance about whether the annexed statement presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

The procedures selected depend on our judgement, including the assessment of the risks of material non-compliances with Shariah principles and guidelines whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to financial arrangements and transactions having Shariah implications, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Fund's internal controls. Reasonable assurance is less than absolute assurance.

The procedures performed included performing test of controls for making investments, maintaining bank accounts and transferring impure income to charity in accordance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor.

6. Conclusion

Our conclusion has been formed on the basis of, and subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide the basis for our conclusion.

In our opinion, the annexed statement, for the year ended June 30, 2022, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

Yousuf Adil
Chartered Accountants

Dated: September 28, 2022
Place: Karachi

INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANT SUB' FUNDS

To the participants of NAFA Islamic Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NAFA Islamic Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement and statement of comprehensive income, the statement of cash flows, the statement of movement in participants' sub funds, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and NBP Fund Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information (Directors' Report, Fund Manager Report & Trustee Report to the Unit Holders) included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the year ended June 30, 2022 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005;
- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005; and
- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2022
UDIN: AR202210091LVEjyC0ZR

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2022

Note	2022					2021				
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	Total
(Rupees)										
ASSETS										
5	39,698,388	547,127,146	1,416,844,313	7,543,370	2,011,213,217	112,445,849	436,329,164	808,089,331	4,389,308	1,361,253,652
6	1,296,930,679	272,273,625	99,890,000	-	1,669,094,304	1,630,215,226	402,426,798	334,095,241	-	2,366,737,265
	508,886	-	-	-	508,886	108,387	-	-	-	108,387
7	764,615	12,417,965	17,860,667	-	31,043,247	1,266,345	4,761,267	7,045,832	-	13,073,444
	4,254,657	-	-	-	4,254,657	-	-	-	-	-
8	3,797,539	100,000	100,000	-	3,997,539	15,204,333	100,000	107,574	-	15,411,907
Total assets	1,345,954,764	831,918,736	1,534,694,980	7,543,370	3,720,111,850	1,759,240,140	843,617,229	1,149,337,978	4,389,308	3,756,584,655
LIABILITIES										
9	8,624,256	1,762,605	1,649,751	5,554,494	17,591,106	2,471,812	977,340	1,409,604	2,400,432	7,259,188
10	133,080	85,452	144,736	-	363,268	183,813	69,197	102,345	-	355,355
11	539,788	277,675	460,925	-	1,278,388	379,190	150,284	212,068	-	741,542
	46,354	440,149	2,750,140	-	3,236,643	42,659	580,199	2,350,686	-	2,973,544
	-	-	-	-	-	18,974,188	150,569,859	125,649,325	-	295,193,372
12	6,145,173	1,232,519	920,403	1,988,876	10,286,971	23,250,705	3,742,870	4,006,463	1,988,876	32,988,914
Total liabilities	15,488,651	3,798,400	5,925,955	7,543,370	32,756,376	45,302,367	156,089,749	133,730,491	4,389,308	339,511,915
NET ASSETS	1,330,466,113	828,120,336	1,528,769,025	-	3,687,355,474	1,713,937,773	687,527,480	1,015,607,487	-	3,417,072,740
PARTICIPANTS' SUB-FUNDS (as per statement attached)										
	1,330,466,113	828,120,336	1,528,769,025	-	3,687,355,474	1,713,937,773	687,527,480	1,015,607,487	-	3,417,072,740
Contingencies and commitments										
14	----- (Number of units) -----					----- (Number of units) -----				
16	4,143,634	4,853,079	8,807,646	-	-	4,582,788	4,398,735	6,371,623	-	-
	----- (Rupees) -----					----- (Rupees) -----				
Net assets value per unit	321.0868	170.6381	173.5729	-	-	373.9946	156.3012	159.3954	-	-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For NBP Fund Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	2022				2021			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
INCOME								
Profit on bank deposits	4,878,855	35,714,589	88,525,112	129,118,556	4,405,923	10,594,519	23,356,679	38,357,121
Profit on term deposits	-	3,974,929	4,761,096	8,736,025	-	13,416,844	20,170,272	33,587,116
Profit / return on government securities	-	11,626,309	9,163,633	20,789,942	-	10,850,844	9,078,727	19,929,571
Profit / return on sukuk	-	18,656,260	7,387,032	26,043,292	-	5,140,656	335,616	5,476,272
Income from commercial papers	-	4,407,552	8,795,187	13,202,739	-	2,710,847	3,669,158	6,380,005
Dividend income	85,691,236	-	-	85,691,236	61,779,905	-	-	61,779,905
Gain / (loss) on sale of investments - net	3,022,890	(470,000)	(470,000)	2,082,890	135,914,536	444,000	372,500	136,731,036
Net unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	(275,299,641)	1,466,550	(550,000)	(274,383,091)	350,933,082	209,395	10,000	351,152,477
Total income	(181,706,660)	75,376,189	117,612,060	11,281,589	553,033,446	43,367,105	56,992,952	653,393,503
EXPENSES								
Remuneration to NBP Fund Management Limited - Pension Fund Manager	22,401,137	4,733,857	5,641,170	32,776,164	22,751,397	9,017,082	12,724,096	44,492,575
Sindh Sales Tax on remuneration to Pension Fund Manager	2,912,148	615,401	733,352	4,260,901	2,957,682	1,172,221	1,654,133	5,784,036
Reimbursement of allocated expenses related to registrar services, accounting, operation and valuation services	2,236,930	598,172	1,003,266	3,838,368	-	-	-	-
Reimbursement of Selling & Marketing Expenses	20,132,367	3,173,949	2,316,447	25,622,763	-	-	-	-
Remuneration to Central Depository Company of Pakistan Limited - Trustee	1,665,292	840,850	1,388,500	3,894,642	1,771,936	702,687	991,533	3,466,156
Sindh Sales Tax on remuneration of the Trustee	216,489	109,311	180,505	506,305	230,351	91,348	131,828	453,527
Annual fee to the Securities and Exchange Commission of Pakistan	539,813	277,701	460,950	1,278,464	379,190	150,285	212,068	741,543
Auditors' remuneration	154,690	147,536	153,036	455,262	122,448	122,448	122,448	367,344
Securities transaction costs	1,612,388	5,000	5,000	1,622,388	2,460,687	-	650	2,461,337
Printing expenses	75,442	36,942	51,653	164,037	17,330	17,330	17,330	51,990
Shariah advisory fee	236,400	115,072	189,477	540,949	-	-	-	-
Legal and professional charges	110,976	132,079	183,761	426,816	-	54,100	51,050	105,150
Settlement and bank charges	764,444	508,381	343,663	1,616,488	465,440	375,844	27,557	868,841
Total expenses	53,058,516	11,294,251	12,650,780	77,003,547	31,156,461	11,703,345	15,932,693	58,792,499
Net (loss) / income from operating activities	(234,765,176)	64,081,938	104,961,280	(65,721,958)	521,876,985	31,663,760	41,060,259	594,601,004
Reversal / (Provision) for Sindh Workers' Welfare Fund	18,461,250	2,818,788	3,395,789	24,675,827	(10,437,544)	(633,275)	(821,205)	(11,892,024)
Net (loss) / income before taxation	(216,303,926)	66,900,726	108,357,069	(41,046,131)	511,439,441	31,030,485	40,239,054	582,708,980
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the year	(216,303,926)	66,900,726	108,357,069	(41,046,131)	511,439,441	31,030,485	40,239,054	582,708,980

The annexed notes from 1 to 26 form an integral part of these financial statements.

For NBP Fund Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	2022				2021			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	----- (Rupees) -----							
Net (loss) / income for the year	(216,303,926)	66,900,726	108,357,069	(41,046,131)	511,439,441	31,030,485	40,239,054	582,708,980
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(216,303,926)	66,900,726	108,357,069	(41,046,131)	511,439,441	31,030,485	40,239,054	582,708,980

The annexed notes from 1 to 26 form an integral part of these financial statements.

For NBP Fund Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS FOR THE YEAR ENDED JUNE 30, 2022

Note	2022				2021			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	(Rupees)							
Net assets at beginning of the year	1,713,937,773	687,527,480	1,015,607,487	3,417,072,740	1,123,193,970	576,879,700	821,880,454	2,521,954,124
Amount received / receivable on issuance of units	222,163,076	244,261,965	603,517,050	1,069,942,091	329,054,905	190,204,988	328,859,570	848,119,463
Amount paid / payable on redemption of units	(169,746,220)	(126,277,594)	(462,589,412)	(758,613,226)	(179,282,592)	(112,072,739)	(244,354,496)	(535,709,827)
Reallocation among sub-funds	(219,584,590)	(44,292,241)	263,876,831	-	(70,467,951)	1,485,046	68,982,905	-
	(167,167,734)	73,692,130	404,804,469	311,328,865	79,304,362	79,617,295	153,487,979	312,409,636
Gain / (loss) on sale of investments - net	3,022,890	(470,000)	(470,000)	2,082,890	135,914,536	444,000	372,500	136,731,036
Net unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	(275,299,641)	1,466,550	(550,000)	(274,383,091)	350,933,082	209,395	10,000	351,152,477
Other net income for the year	55,972,825	65,904,176	109,377,069	231,254,070	24,591,823	30,377,090	39,856,554	94,825,467
Total comprehensive (loss) / income for the year	(216,303,926)	66,900,726	108,357,069	(41,046,131)	511,439,441	31,030,485	40,239,054	582,708,980
Net assets at end of the year	1,330,466,113	828,120,336	1,528,769,025	3,687,355,474	1,713,937,773	687,527,480	1,015,607,487	3,417,072,740
Net assets value per unit at beginning of the year	373.9946	156.3012	159.3954		260.2000	148.4727	152.0531	
Net assets value per unit at end of the year	321.0868	170.6381	173.5729		373.9946	156.3012	159.3954	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For NBP Fund Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	2022					2021				
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	Total
Note ----- (Rupees) -----										
CASH FLOWS FROM OPERATING ACTIVITIES										
Net (loss) / income for the year	(216,303,926)	66,900,726	108,357,069	-	(41,046,131)	511,439,441	31,030,485	40,239,054	-	582,708,980
Adjustments:										
(Gain) / loss on sale of investments - net	(3,022,890)	470,000	470,000	-	(2,082,890)	(135,914,536)	(444,000)	(372,500)	-	(136,731,036)
Net unrealised loss / (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	275,299,641	(1,466,550)	550,000	-	274,383,091	(350,933,082)	(209,395)	(10,000)	-	(351,152,477)
	55,972,825	65,904,176	109,377,069	-	231,254,070	24,591,823	30,377,090	39,856,554	-	94,825,467
Decrease / (Increase) in assets										
Investments	42,033,608	(19,420,136)	107,535,916	-	130,149,388	(52,094,835)	163,262,636	205,571,584	-	316,739,385
Dividend receivable	(400,499)	-	-	-	(400,499)	(108,387)	-	-	-	(108,387)
Profit receivables	501,730	(7,656,698)	(10,814,835)	-	(17,969,803)	159,220	(1,165,469)	(701,846)	-	(1,708,095)
Receivable against sale of investment	(4,254,657)	-	-	-	(4,254,657)	-	-	-	-	-
Deposits and other receivable	11,406,794	-	7,574	-	11,414,368	(12,166,745)	-	3,323	-	(12,163,422)
	49,286,976	(27,076,834)	96,728,655	-	118,938,797	(64,210,747)	162,097,167	204,873,061	-	302,759,481
(Decrease) / Increase in liabilities										
Payable to NBP Fund Management Limited - Pension Fund Manager	6,152,444	785,265	240,147	3,154,062	10,331,918	866,721	121,357	236,408	(3,993,437)	(2,768,951)
Payable to Central Depository Company of Pakistan Limited - Trustee	(50,733)	16,255	42,391	-	7,913	61,022	6,522	17,145	-	84,689
Annual fee payable to Securities and Exchange Commission of Pakistan	160,598	127,391	248,857	-	536,846	87,637	(3,580)	9,407	-	93,464
Accrued expenses and other liabilities	(17,105,532)	(2,510,351)	(3,086,060)	-	(22,701,943)	11,680,397	550,026	725,893	-	12,956,316
	(10,843,223)	(1,581,440)	(2,554,665)	3,154,062	(11,825,266)	12,695,777	674,325	988,853	(3,993,437)	10,365,518
Net cash generated from / (used in) operating activities	94,416,578	37,245,902	203,551,059	3,154,062	338,367,601	(26,923,147)	193,148,582	245,718,468	(3,993,437)	407,950,466
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received / receivable on issuance of units	222,163,076	244,261,965	603,517,050	-	1,069,942,091	329,054,905	190,204,988	328,859,570	-	848,119,463
Amount paid / payable on redemption of units	(169,742,525)	(126,417,644)	(462,189,958)	-	(758,350,127)	(179,245,467)	(112,382,155)	(244,348,257)	-	(535,975,879)
Reallocation among sub-funds	(219,584,590)	(44,292,241)	263,876,831	-	-	(70,467,951)	1,485,046	68,982,905	-	-
Net cash (used in) / generated from financing activities	(167,164,039)	73,552,080	405,203,923	-	311,591,964	79,341,487	79,307,879	153,494,218	-	312,143,584
Net (decrease) / increase in cash and cash equivalents	(72,747,461)	110,797,982	608,754,982	3,154,062	649,959,565	52,418,340	272,456,461	399,212,686	(3,993,437)	720,094,050
Cash and cash equivalents at beginning of the year	112,445,849	436,329,164	808,089,331	4,389,308	1,361,253,652	60,027,509	163,872,703	408,876,645	8,382,745	641,159,602
Cash and cash equivalents at end of the year	39,698,388	547,127,146	1,416,844,313	7,543,370	2,011,213,217	112,445,849	436,329,164	808,089,331	4,389,308	1,361,253,652

The annexed notes from 1 to 26 form an integral part of these financial statements.

For NBP Fund Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NAFA Islamic Pension Fund (“the Fund”) was established under a Trust Deed, dated 12 October 2012, between NBP Fund Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on November 16, 2012.
- 1.2 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.3 The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the Offering document, distribution of income or dividend is not allowed from any of the Sub-Funds.
- 1.4 The objective of the Fund is to provide individuals with a portable, individualized, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.
- 1.5 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Mufti Bilal Ahmed Qazi as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.6 The Fund consists of three Sub-Funds namely, NAFA Islamic Pension Fund Equity Sub-fund (Equity Sub-fund), NAFA Islamic Pension Fund Debt Sub-fund (Debt Sub-fund) and NAFA Islamic Pension Fund Money Market Sub-fund (Money Market Sub-fund) (collectively the Sub-funds). The investment policy for each of the sub-funds are as follows:
- The Equity Sub-fund consists of a minimum 90% of net assets invested in Shariah compliant listed equity securities. Investment in single company is restricted to lower of 15% of Net Assets Value (NAV) of Equity Sub-fund or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 35% of NAV or index weight, subject to a maximum of 40% of NAV of Equity Sub-fund. (Remaining assets of the Equity Sub-fund may be invested in any government treasury bills or government securities having less than one year time maturity, or be deposited with scheduled Islamic commercial banks having at least 'A' rating or Islamic windows of commercial banks having rating not less than 'AA' by a rating).
 - The Debt Sub-Fund consists of Shariah compliant tradable debt securities with weighted average time to maturity of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five percent (25%) of the net assets of Debt Sub-Fund shall be invested in debt securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with scheduled Islamic banks having not less than 'A+' rating or Islamic windows of commercial banks having not less than 'AA' rating. Investment in securities issued by companies of a single sector shall not exceed 25% of net assets of Debt Sub-Fund. Composition of the remaining portion of the investments shall be as defined in the offering document.
 - The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by the Federal Government and Islamic windows of commercial banks having 'A+' rating provided that deposit with any one bank shall not exceed 25% of net assets of Money Market Sub-Fund. Investment in securities issued by provincial government, city government, government corporation with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be in proportion as defined in offering document.
- 1.7 The Fund offers six types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility, Customized Allocation & Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to

the minimum limit fixed by the Pension Fund Manager. The Participant has the option to select any one from the Allocation Schemes or products being offered by the Pension Fund Manager at the date of opening his / her Individual Pension Account. The Participant may change the Allocation Scheme not more than twice a year thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis or with any other frequency.

- 1.8 Under the provisions of the Offering Document of the Fund, contributions received from or on behalf of any Participant by Trustee in cleared funds on any business day shall be credited to the Individual Pension Account of the Participant after deducting the front-end fees, bank charges, any premia payable in respect of any schemes selected by the Participant. The net contribution received in the Individual Pension Account shall be used to allocate such number of units of the relevant Sub-Funds in accordance with the Allocation Policy selected by the Participant as is determined in accordance with the Trust Deed and the units shall be allocated at Net Assets Value notified by the Pension Fund Manager at the close of that business day.
- 1.9 Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of 'AM1' to the Pension Fund Manager while the Fund is currently not rated.
- 1.10 Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.
- 1.11 During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 03, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS Standard) issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017;
- Provisions of and directives issued under Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and 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 VPS Rules and requirements of the trust deed differ from the IFRS standards, provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules and requirements of the trust deed have been followed.

2.1.2 The SECP vide SRO 800 (I)/2021 dated June 22, 2021 modified the effective date for applicability of International Financial Reporting Standard 9 - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas, as "Reporting period/year ending on or after June 30, 2022 (earlier application permitted)". However, as permitted the Fund had already applied the IFRS-9 during the year ended June 30, 2019 with the exception of below mentioned impairment requirements (refer note 4.2.3).

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees, except otherwise stated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan. It requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- a) classification and valuation of financial assets (Note 4.2.2.1 and 6)
- b) impairment of financial assets (Note 4.2.3)
- c) provisions (Note 4.6)

3 ADOPTION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS:

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

**Effective from accounting period
beginning on or after:**

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- 'IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 - Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

4.1 Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.2. Financial assets and liabilities

4.2.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.2.2 Classification and measurement

4.2.2.1 Financial assets

There are three principal classification categories for financial assets:

- Measured at amortized cost (“AC”);
- Fair value through other comprehensive income (“FVTOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVTOCI

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss.

Business Model Assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered.

4.2.2.2 Financial liabilities

The fund classifies its financial liabilities in the following categories

- Measured at amortized cost (AC) ;or
- Measured at Fair value through profit or loss (FVTPL) ;or

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

4.2.3 Impairment of financial assets

The Fund at each reporting date determines whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP / Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of Financial Instruments (IFRS 9) for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP).

In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Basis of valuation of instruments (other than debt and government securities) at amortised cost

Subsequent to initial recognition, financial assets classified as amortised cost are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

4.2.5 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.2.7 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Impairment of non financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

4.4 Participants' fund

Participants' fund representing the units issued by the Fund, are carried at the net asset value representing the investors' right to a residual interest in the Fund's net assets.

4.5 Issuance, allocation, reallocation and redemption of units

Contribution received in the individual pension account after deduction of takaful premia (for optional Takaful covers), if any, followed by deduction of applicable front end fee, is used to purchase the units of Sub-Funds of the Fund according to the Allocation Scheme selected by the participant. The units are allotted at the net assets value notified by the Pension Fund Manager at the close of the business day for each Sub-Fund. The front end fee is if applicable, payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the Sub-Fund units between the Sub-Funds at least once a year to ensure that the allocation of the Sub-Fund units of all the participants are according to the allocation schemes selected by the Participants. In case of withdrawal before retirement, units are redeemed at the net assets value of each of the Sub-Funds as of the close of the business day on which such request is received by the distributor before the cut off time. Redemption of units is recorded on acceptance of application for redemption.

In case of retirement of the participant, units are redeemed at the net assets value of each of the Sub-Fund as of the close of the business day on which retirement age is reached. In case of change of Pension Fund Manager, units are redeemed at the net assets value of each of the Sub-Fund as of the close of the business day corresponding to the date of change specified by the participant.

4.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.7 Net assets value per unit of each Sub-Fund

The Net Assets Value (NAV) per unit is calculated by dividing the net assets of each of the Sub-Fund by the number of units in circulation of that Sub-Fund at the year end.

4.8 Taxation

The income of the Fund is exempt from Income Tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

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.

4.9 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transactions take place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'available for sale' investments are included in the statement of comprehensive income in the period in which they arise.

- Dividend income is recognised when the right to receive the dividend is established.
- Profit / return on government securities, ijarah sukuks, bank balances and term deposit receipts are recognised on a time proportion basis using the effective interest method.
- Profit on debt securities classified as non performing assets are recognised on receipt basis.

4.10 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the Income Statement as and when incurred.

4.11 Earnings per unit

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

4.12 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.13 Distribution

Distribution of dividend or bonus units is not allowed under the VPS Rules 2005.

5 BANK BALANCES

	Note	2022					2021				
		Equity sub fund	Debt sub fund	Money Market sub fund	Others (note 5.2)	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Others	Total
(Rupees)											
Saving accounts	5.1 & 5.3	39,698,388	547,127,146	1,416,844,313	7,543,370	2,011,213,217	112,445,849	436,329,164	808,089,331	4,389,308	1,361,253,652

5.1 These accounts carry Profit rates ranging from 6.5% to 15.59% per annum (June 30, 2021: 3.75% to 7.40% per annum).

5.2 These represent collection accounts maintained by the Fund. The balances in these accounts represent front-end fee along with Government levies and withholding tax payable to the Pension Fund Manager and the tax authorities respectively.

5.3 These includes bank balances of Rs.19.974 million carrying Profit rate of 15.25% maintained with BankIslami Pakistan Limited a related party.

6 INVESTMENTS

	Note	2022				2021			
		Equity sub fund	Debt sub fund	Money Market sub fund	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Total
----- (Rupees) -----									
Investments by category									
At fair value through profit and loss									
Listed equity securities	6.1	1,296,930,679	-	-	1,296,930,679	1,630,215,226	-	-	1,630,215,226
Government of Pakistan - Ijarah Sukuks	6.2	-	99,828,000	74,890,000	174,718,000	-	149,160,000	124,000,000	273,160,000
Sukuk certificates	6.3	-	172,445,625	25,000,000	197,445,625	-	76,957,075	88,000,000	164,957,075
Commercial papers	6.4	-	-	-	-	-	76,309,723	122,095,241	198,404,964
Term deposits receipts		-	-	-	-	-	100,000,000	-	100,000,000
		1,296,930,679	272,273,625	99,890,000	1,669,094,304	1,630,215,226	402,426,798	334,095,241	2,366,737,265

6.1 Listed equity securities

6.1.1 Held by Equity sub fund

All Shares have a nominal face value of Rs. 10 each except for shares of Al-Ghazi Tractors Limited, Agriaautos Industries Limited, Shabbir Tiles & Ceramics Limited, Thal Limited and Dynea Limited which have a face value of Rs. 5.

Name of the investee company	As at July 01, 2021	Purchases during the year	Bonus shares issued during the year	Sales during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value / carrying value as a percentage of net assets of sub fund	Market value / carrying value as a percentage of investments of sub fund	Percentage of paid-up capital of the investee company held
----- (Number of shares) ----- (Rupees) ----- (%) -----									
Pharmaceuticals									
Abbot Laboratories (Pakistan) Limited	5,500	5,300	-	1,000	9,800	6,415,472	0.48	0.49	0.01
AGP Limited	136,500	57,506	-	108,200	85,806	7,518,322	0.57	0.58	0.03
Citi Pharma Limited	-	454,083	29,958	276,500	207,541	6,774,148	0.51	0.52	0.09
GlaxoSmithKline Consumer HealthCare Pakistan Limited	5,744	50,500	-	2,800	53,444	12,737,309	0.96	0.98	0.05
Highnoon Laboratories Limited	13,438	-	1,344	-	14,782	7,832,432	0.59	0.60	0.04
IBL Health Care Limited	146,500	-	13,780	97,600	62,680	3,258,733	0.24	0.25	0.10
The Searle Company Limited	144,825	46,037	35,677	96,200	130,339	14,209,580	1.07	1.10	0.04
	452,507	613,426	80,759	582,300	564,392	58,745,996	4.42	4.52	

Name of the investee company	As at July 01, 2021	Purchases during the year	Bonus shares issued during the year	Sales during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value / carrying value as a percentage of net assets of sub fund	Market value / carrying value as a percentage of investments of sub fund	Percentage of paid-up capital of the investee company held
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
Commercial Bank									
Meezan Bank Limited	694,178	42,000	97,347	189,091	644,434	72,808,121	5.47	5.61	0.04
	694,178	42,000	97,347	189,091	644,434	72,808,121	5.47	5.61	
Sugar and Allied Industries									
Unity Foods Limited	118,000	-	-	118,000	-	-	-	-	-
	118,000	-	-	118,000	-	-	-	-	-
Cement									
Attock Cement Pakistan Limited	51,000	34,400	-	-	85,400	5,679,100	0.43	0.44	0.06
Cherat Cement Company Limited	91,400	21,500	-	112,900	-	-	-	-	-
D.G. Khan Cement Company Limited	94,500	15,000	-	109,500	-	-	-	-	-
Fauji Cement Company Limited	1,683,000	466,500	-	936,000	1,213,500	17,195,295	1.29	1.33	0.09
Fecto Cement Limited	19,600	-	-	-	19,600	384,552	0.03	0.03	0.39
Kohat Cement Company Limited	396,160	148,100	-	4,000	540,260	70,304,034	5.28	5.42	0.27
Lucky Cement Limited	185,570	28,500	-	39,232	174,838	80,257,636	6.03	6.19	0.05
Maple Leaf Cement Factory Limited	316,600	369,600	-	311,800	374,400	10,239,840	0.77	0.79	0.03
	2,837,830	1,083,600	-	1,513,432	2,407,998	184,060,457	13.83	14.20	
Chemicals									
Descon Oxychem Limited	-	549,000	-	11,000	538,000	8,446,600	0.63	0.65	0.31
Dynea Pakistan Limited	31,600	3,500	-	-	35,100	6,105,996	0.46	0.47	0.37
Engro Polymer and Chemicals Limited	960,778	20,000	-	532,828	447,950	35,670,259	2.68	2.75	0.05
ICI Pakistan Limited	22,550	-	-	8,600	13,950	10,107,473	0.76	0.78	0.02
Ittehad Chemicals Limited	103,000	-	18,606	15,000	106,606	3,184,311	0.24	0.25	0.11
Lotte Chemical Pakistan Limited	1,165,000	81,000	-	1,011,000	235,000	5,550,700	0.42	0.43	0.02
Sitara Chemical Industries Limited	12,200	-	-	12,200	-	-	-	-	-
Sitara Peroxide Limited	-	113,500	-	113,500	-	-	-	-	-
	2,295,128	767,000	18,606	1,704,128	1,376,606	69,065,339	5.19	5.33	
Fertilizer									
Engro Corporation Limited	249,600	132,800	-	58,900	323,500	83,168,615	6.25	6.41	0.06
Fauji Fertilizer Bin Qasim Limited	-	484,500	-	8,000	476,500	9,644,360	0.72	0.74	0.04
	249,600	617,300	-	66,900	800,000	92,812,975	6.97	7.15	
Food & Personal Care Products									
Al-Shaheer Corporation Limited	3,162	-	-	-	3,162	28,587	-	-	-
At - Tahir limited	1,175,001	166,000	93,060	795,000	639,061	12,186,891	0.92	0.94	0.32
Bunnys Limited	-	355,000	-	-	355,000	7,575,700	0.57	0.58	0.53
Shezan International Limited	23,000	40,200	6,180	200	69,180	11,760,600	0.88	0.91	0.71
	1,201,163	561,200	99,240	795,200	1,066,403	31,551,778	2.37	2.43	

Name of the investee company	As at July 01, 2021	Purchases during the year	Bonus shares issued during the year	Sales during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value / carrying value as a percentage of net assets of sub fund	Market value / carrying value as a percentage of investments of sub fund	Percentage of paid-up capital of the investee company held
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
Automobile Parts and Accessories									
Panther Tyres Limited	260,629	62,000	64,526	-	387,155	12,543,816	0.94	0.97	0.23
Thal Limited	26,500	-	-	6,100	20,400	5,500,248	0.41	0.42	0.05
Baluchistan Wheels Limited	82,800	-	-	-	82,800	6,292,800	0.47	0.49	0.62
	369,929	62,000	64,526	6,100	490,355	24,336,864	1.82	1.88	
Automobile Assemblers									
Honda Atlas Cars (Pakistan) Limited	24,000	71,700	-	38,302	57,398	11,177,113	0.84	0.86	0.04
Millat Tractors Limited	31,163	-	17,417	26,520	22,060	19,248,637	1.45	1.48	0.02
Al-Ghazi Tractors Limited	-	34,500	-	-	34,500	13,460,865	1.01	1.04	0.12
Pak Suzuki Motor Company Limited	-	7,300	-	7,300	-	-	-	-	-
	55,163	113,500	17,417	72,122	113,958	43,886,615	3.30	3.38	
Paper & Board									
Packages Limited	20,050	-	-	20,050	-	-	-	-	-
Century Paper and Board Mills Limited	-	8,500	-	8,500	-	-	-	-	-
Roshan Packages Limited	648,500	13,500	-	-	662,000	9,837,320	0.74	0.76	0.47
	668,550	22,000	-	28,550	662,000	9,837,320	0.74	0.76	
Power Generation and Distribution									
Lalpir Power Limited	264,000	-	-	230,500	33,500	427,125	0.03	0.03	0.01
Nishat Power Limited	100,000	-	-	100,000	-	-	-	-	-
The Hub Power Company Limited	1,026,709	233,000	-	142,000	1,117,709	76,194,223	5.73	5.87	0.09
	1,390,709	233,000	-	472,500	1,151,209	76,621,348	5.76	5.90	
Textile Composite									
Interloop Limited	400,819	-	11,140	108,800	303,159	18,492,673	1.39	1.43	0.03
Kohinoor Textile Mills Limited	463,419	93,500	-	59,500	497,419	24,870,950	1.87	1.92	0.17
Nishat Mills Limited	266,100	-	-	97,200	168,900	12,483,399	0.94	0.96	0.05
	1,130,338	93,500	11,140	265,500	969,478	55,847,022	4.20	4.31	

Name of the investee company	As at July 01, 2021	Purchases during the year	Bonus shares issued during the year	Sales during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value / carrying value as a percentage of net assets of sub fund	Market value / carrying value as a percentage of investments of sub fund	Percentage of paid-up capital of the investee company held
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
Oil & Gas Marketing Companies									
Attock Petroleum Limited	21,100	-	-	5,000	16,100	5,173,091	0.39	0.40	0.02
Hascol Petroleum Limited	396	-	-	-	396	1,671	-	-	-
Pakistan State Oil Company Limited	224,319	100,100	-	5,700	318,719	54,768,700	4.12	4.22	0.07
Sui Northern Gas Pipelines Limited	72,000	-	-	44,578	27,422	938,107	0.07	0.07	-
	317,815	100,100	-	55,278	362,637	60,881,569	4.58	4.69	
Oil & Gas Exploration Companies									
Mari Petroleum Company Limited	70,598	9,200	-	14,900	64,898	112,906,342	8.49	8.71	0.05
Oil and Gas Development Company Limited	998,700	346,400	-	138,200	1,206,900	94,946,823	7.14	7.32	0.03
Pakistan Oilfields Limited	113,020	45,300	-	29,500	128,820	52,276,444	3.93	4.03	0.05
Pakistan Petroleum Limited	1,037,728	467,000	-	214,500	1,290,228	87,103,303	6.55	6.72	0.05
	2,220,046	867,900	-	397,100	2,690,846	347,232,912	26.11	26.78	
Transport									
Pakistan National Shipping Corporation Limited	33,500	-	-	33,500	-	-	-	-	-
	33,500	-	-	33,500	-	-	-	-	
Technology and Communication									
Avanceon Limited	3,524	-	881	-	4,405	343,233	0.03	0.03	-
Macpac Films Limited	-	120,000	-	-	120,000	1,878,000	0.14	0.14	0.20
Octopus Digital Limited	-	64,422	-	64,422	-	-	-	-	-
Supernet Limited	-	146,978	-	-	146,978	2,838,145	0.21	0.22	0.13
Systems Limited	115,195	900	114,195	7,900	222,390	73,357,565	5.51	5.66	0.08
Tri-Pack Films Limited	-	92,100	-	92,100	-	-	-	-	-
	118,719	424,400	115,076	164,422	493,773	78,416,943	5.89	6.05	
Cable and Electrical Goods									
Pak Elektron Limited	-	30,000	21,600	30,000	21,600	4,760,644	0.36	0.37	-
Pak Elektron Limited -RIGHT	-	278,000	-	-	278,000	-	-	-	-
	-	308,000	21,600	30,000	299,600	4,760,644	0.36	0.37	

Name of the investee company	As at July 01, 2021	Purchases during the year	Bonus shares issued during the year	Sales during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value / carrying value as a percentage of net assets of sub fund	Market value / carrying value as a percentage of investments of sub fund	Percentage of paid-up capital of the investee company held
	----- (Number of shares) -----					(Rupees)	----- (%) -----		
Glass and Ceramics									
Ghani Global Glass Limited	497,300	-	-	497,300	-	-	-	-	-
Ghani Value Glass Limited	153,600	-	-	104,500	49,100	3,240,600	0.24	0.25	0.08
Shabbir Tiles and Ceramics Limited	1,300,000	243,500	-	127,000	1,416,500	20,723,395	1.56	1.60	1.18
Tariq Glass Industries Limited	239,375	19,500	-	70,300	188,575	19,575,971	1.47	1.51	0.14
	2,190,275	263,000	-	799,100	1,654,175	43,539,966	3.27	3.36	
Engineering									
Agha Steel Ind.Ltd	50,500	-	-	50,500	-	-	-	-	-
Aisha Steel Mills Limited	-	51,500	-	-	51,500	569,075	0.04	0.04	0.01
Amreli Steels Ltd.	-	70,000	-	70,000	-	-	-	-	-
International Industries Limited	109,900	-	-	41,650	68,250	7,079,572	0.53	0.55	0.05
International Steels Limited	16,600	4,800	-	21,400	-	-	-	-	-
Mughal Iron and Steel Industries Limited	507,790	49,300	78,239	43,400	591,929	34,118,758	2.56	2.63	0.18
	684,790	175,600	78,239	226,950	711,679	41,767,405	3.13	3.22	
Synthetic Products									
Pakistan Aluminium Beverage Cans Limited	-	312,903	-	312,903	-	-	-	-	-
Service Global Footwear Limited	24,423	-	-	6,000	18,423	740,235	0.06	0.06	0.01
Synthetic Products Enterprises Limited	1,128	-	90	-	1,218	17,170	-	-	-
	25,551	312,903	90	318,903	19,641	757,405	0.06	0.06	
	17,053,791	6,660,429	604,040	7,839,076	16,479,184	1,296,930,679	97.11	100	
Carrying Value as at June 30, 2022						1,572,230,320			

6.1.2 Investments include shares with market value of Rs.44.034 million (June 30, 2021: Rs.52.665 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.

6.1.3 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.

6.2 Government of Pakistan - Ijarah sukuk

6.2.1 Held by Debt-Sub fund

Particulars	Issue date	Tenor	As at July 1, 2021	Purchases during the period	Matured/ Sold during the period	As at June 30, 2022	Market Value as at June 30, 2022	Market value as % of net assets of the Sub-Fund	Market value as % of investments of sub fund
			(Rupees)					(%)	
GoP Ijarah Sukuk	April 30, 2020	5 Years	50,000,000	-	50,000,000	-	-	-	-
GoP Ijarah Sukuk	May 29, 2020	5 Years	50,000,000	-	-	50,000,000	50,015,000	6.04	18.37
GoP Ijarah Sukuk	June 24, 2020	5 Years	35,000,000	-	-	35,000,000	34,888,000	4.21	12.81
GoP Ijarah Sukuk	July 29, 2020	5 Years	15,000,000	-	-	15,000,000	14,925,000	1.80	5.48
			150,000,000	-	50,000,000	100,000,000	99,828,000	12.05	36.66
Carrying value before fair value adjustment as at June 30, 2022							100,600,000		

6.2.2 Held by Money Market sub fund

Particulars	Issue date	Tenor	As at July 1, 2021	Purchases during the period	Matured/ Sold during the period	As at June 30, 2022	Market Value as at June 30, 2022	Market value as % of net assets of the Sub-Fund	Market value as % of investments of sub fund
			----- (Rupees) -----			----- (%) -----			
GoP Ijarah Sukuk	April 30, 2020	5 Years	50,000,000	-	50,000,000	-	-	-	-
GoP Ijarah Sukuk	May 29, 2020	5 Years	50,000,000	-	-	50,000,000	50,015,000	6.04	18.37
GoP Ijarah Sukuk	July 29, 2020	5 Years	25,000,000	-	-	25,000,000	24,875,000	3.00	9.14
			125,000,000	-	50,000,000	75,000,000	74,890,000	9.04	27.51
Carrying value before fair value adjustment as at June 30, 2022							75,440,000		

6.3 Sukuk certificates

6.3.1 Held by Debt sub fund

Face value									
Name of the investee company	Issue date	Maturity date	As at July 01, 2021	Purchases during the period	Matured/ Sold during the period	As at June 30, 2022	Market Value as at June 30, 2022	Market value as a percentage of net assets of sub fund	Market value as a percentage of total investments of sub fund
			----- (Rupees) -----			----- (%) -----			
Pak Energy Limited	May 21, 2020	July 15, 2026	13,000,000	-	-	13,000,000	13,091,000	1.58	4.81
K-Electric Limited	August 3, 2020	December 27, 2027	10,000,000	-	-	10,000,000	10,212,000	1.23	3.75
Hub Power Company Limited	August 22, 2019	August 22, 2023	35,000,000	-	8,750,000	26,250,000	27,617,625	3.33	10.14
Hub Power Company Limited	May 05, 2021	November 05, 2021	18,000,000	-	18,000,000	-	-	-	-
OBS AGP Limited	July 15, 2021	July 15, 2026	-	60,000,000	-	60,000,000	60,300,000	7.28	22.15
Hub Power Company Limited	November 2, 2021	May 2, 2022	-	50,000,000	50,000,000	-	-	-	-
Meezan Bank Limited	December 16, 2021	December 16, 2031	-	35,000,000	-	35,000,000	36,225,000	4.37	13.30
K-Electric Limited	February 4, 2022	August 4, 2022	-	25,000,000	-	25,000,000	25,000,000	3.02	9.18
			76,000,000	170,000,000	76,750,000	169,250,000	172,445,625	20.81	63.33
Carrying Value as at June 30, 2022							170,207,075		

6.3.2 Held by Money Market sub fund

Name of the investee company	Issue date	Maturity date	Face value				Market Value as at June 30, 2022	Market value as a percentage of net assets of sub fund	Market value as a percentage of total investments of sub fund	
			As at July 01, 2021	Purchases during the period	Matured/ Sold during the period	As at June 30, 2022				
			----- (Rupees) -----						(%) -----	
Hub Power Company Limited	May 5, 2021	November 5, 2021	88,000,000	-	88,000,000	-	-	-	-	
Hub Power Company Limited	November 2, 2021	May 2, 2022	-	75,000,000	75,000,000	-	-	-	-	
K-Electric Limited	February 4, 2022	August 4, 2022	-	25,000,000	-	25,000,000	25,000,000	3.02	9.18	
			88,000,000	100,000,000	163,000,000	25,000,000	25,000,000	3.02	9.18	
Carrying Value as at June 30, 2022							25,000,000			

6.4 Commercial Papers

6.4.1 Held by Debt Sub Fund

Name of the investee company	Issue date	Maturity date	Face Value					Carrying value as at June 30, 2022	Carrying value as at June 30, 2021
			As at July 01, 2021	Purchases during the period	Sold / matured during the period	As at June 30, 2022			
K-Electric Limited	March 2, 2021	September 2, 2021	13,000,000	-	13,000,000	-	-	12,822,277	
K-Electric Limited	April 6, 2021	October 6, 2021	20,000,000	-	20,000,000	-	-	19,570,603	
K-Electric Limited	April 19, 2021	October 19, 2021	45,000,000	-	45,000,000	-	-	43,916,843	
			78,000,000	-	78,000,000	-	-	76,309,723	

6.4.2 Held by Money Market Sub Fund

Name of the investee company	Issue date	Maturity date	Face Value					Carrying value as at June 30, 2022	Carrying value as at June 30, 2021
			As at July 01, 2021	Purchases during the period	Sold / matured during the period	As at June 30, 2022			
K-Electric Limited	April 6, 2021	October 6, 2021	40,000,000	-	40,000,000	-	-	39,141,205	
K-Electric Limited	April 19, 2021	October 19, 2021	85,000,000	-	85,000,000	-	-	82,954,036	
			125,000,000	-	125,000,000	-	-	122,095,241	

6.5 Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	Note	2022				2021			
		Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
----- (Rupees) -----									
Market value / carrying value of investments	6.1, 6.2, 6.3	1,296,930,679	272,273,625	99,890,000	1,669,094,304	1,630,215,226	402,426,798	334,095,241	2,366,737,265
Less: carrying cost of investments		(1,572,230,320)	(270,807,075)	(100,440,000)	(1,943,477,395)	(1,279,282,144)	(402,217,403)	(334,085,241)	(2,015,584,788)
		<u>(275,299,641)</u>	<u>1,466,550</u>	<u>(550,000)</u>	<u>(274,383,091)</u>	<u>350,933,082</u>	<u>209,395</u>	<u>10,000</u>	<u>351,152,477</u>
7 PROFIT RECEIVABLES									
Profit on GoP Ijara sukuks		-	5,781,292	2,924,669	8,705,961	-	2,381,383	2,861,791	5,243,174
Profit on term deposits		-	-	-	-	-	39,973	2	39,975
Profit on bank deposits		764,615	6,636,673	14,935,998	22,337,286	1,266,345	2,339,911	4,184,039	7,790,295
		<u>764,615</u>	<u>12,417,965</u>	<u>17,860,667</u>	<u>31,043,247</u>	<u>1,266,345</u>	<u>4,761,267</u>	<u>7,045,832</u>	<u>13,073,444</u>
8 ADVANCE, DEPOSITS AND OTHER RECEIVABLE									
Advance tax		436,108	-	-	436,108	436,108	-	-	436,108
Security deposit with the Central Depository Company of Pakistan Limited		100,000	100,000	100,000	300,000	100,000	100,000	100,000	300,000
Security deposit with the National Clearing Company of Pakistan Limited		2,500,000	-	-	2,500,000	2,500,000	-	-	2,500,000
Receivable against sale / reallocation of units		761,431	-	-	761,431	657,635	-	7,574	665,209
Advance against pre initial public offering		-	-	-	-	11,510,590	-	-	11,510,590
		<u>3,797,539</u>	<u>100,000</u>	<u>100,000</u>	<u>3,997,539</u>	<u>15,204,333</u>	<u>100,000</u>	<u>107,574</u>	<u>15,411,907</u>

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on bank deposit and investment paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008- VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends, profit on bank deposits and profit on letter of placement as at 30 June 2022 amounts to Rs. 0.436 million (2021: Rs. 0.436 million).

8.2 For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable High Court of Sindh (HCS) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by HCS in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court (HSC) through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the HSC by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the HSC granted the petitioners leave to appeal from the initial judgement of HCS. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as Advance tax as at 30 June 2022 and 30 June 2021, as in the opinion of the management, the amount of tax deducted at source will be refunded.

9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - PENSION FUND MANAGER

	Note	2022					2021				
		Equity sub fund	Debt sub fund	Money Market sub fund	Others	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Others	Total
		(Rupees)									
Remuneration to Pension Fund Manager	9.1	1,587,236	271,749	230,165	-	2,089,150	2,121,072	798,534	1,181,071	-	4,100,677
Sindh Sales Tax on management remuneration	9.2	206,340	35,324	29,917	-	271,581	275,740	103,806	153,533	-	533,079
Preliminary expenses and floatation cost		75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
Reimbursement of allocated expenses related to registrar services, accounting, operation and valuation services	9.3	675,568	201,832	342,546	-	1,219,946	-	-	-	-	-
Reimbursement of Selling & Marketing Expenses	9.4	6,080,112	1,178,700	972,123	-	8,230,935	-	-	-	-	-
Sindh Sales Tax on sales load	9.2	-	-	-	718,112	718,112	-	-	-	336,360	336,360
Sales load		-	-	-	4,836,382	4,836,382	-	-	-	2,064,072	2,064,072
		8,624,256	1,762,605	1,649,751	5,554,494	17,591,106	2,471,812	977,340	1,409,604	2,400,432	7,259,188

9.1 As per regulation 67F of NBFC Regulation, 2008, the Pension Fund Manager has charged its remuneration at the rate of 1.5% (June 30, 2021: 1.5%) per annum of the average annual net assets of each of the Sub-Funds for the current period. The remuneration is paid on a monthly basis in arrears. With effective from 20 September 2021, the Management Company has revised its rate of the average annual net assets of the Fund is as follows:

Category	Rate per annum
Equity	1.50%
Debt	0.40%
Money Market	0.20%

9.2 The Sindh Provincial Government has levied Sindh Sales Tax on the remuneration of the Pension Fund Manager and sales load through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2021: 13%) was charged on management remuneration and sales load.

- 9.3 As per S.R.O.1068(I)/2021 dated August 23,2021 the SECP made an amendment in Non-Banking Finance Companies and Notified Entities Regulations, 2008, adjoined "Voluntary Pension System" as Part V of NBFC Regulations, 2008. In accordance with Regulation 67G(3), Pension Fund Manager may charge the eligible expense as given in sub-regulation (2) and (3) of the regulation 60 to pension fund.

In accordance with Regulation 60 of the NBFC Regulations, the Pension Fund Manager is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to its Voluntary Pension Scheme.

During the year ended June 30, 2022, the Management Company has charged allocated expenses at the rate of 0.15% of average annual net assets till 25 July, 2021 and with effective from 20 September, 2021, the Management Company has revised its rate of the average annual net assets of the Fund is as follows:

Category	Rate per annum
Equity	0.2%
Debt	0.1%
Money Market	0.1%

- 9.4 As per Circular 5 of 2018 dated 4 June 2018 issued by SECP, the Asset Management Company was entitled to charge selling and marketing expense to Collective Investment Scheme upto 0.4% per annum of net assets of Fund or actual expenses whichever is lower for initial three years. Circular 11 of 2019 dated 5 July 2019, issued by SECP superseded the above stated Circular and has revised the conditions and waived capping for charging selling and marketing expense. During the year ended June 30, 2022, the Management Company has charged selling and marketing expenses as follows:

	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
From July 01, 2021 till March 06, 2022		0.5%	0.2%
From March 07, 2022 till May 08, 2022	1.8%	0.525%	0.225%
From May 09, 2022 till June 30, 2022		0.625%	0.325%

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	2022				2021				
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Total	
	----- (Rupees) -----								
Trustee remuneration	10.1	117,770	75,622	128,085	321,477	162,666	61,236	90,571	314,473
Sindh Sales Tax on Trustee remuneration	10.2	15,310	9,830	16,651	41,791	21,147	7,961	11,774	40,882
		133,080	85,452	144,736	363,268	183,813	69,197	102,345	355,355

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the sub-funds.

Based on the Trust Deed, the tariff structure applicable to the Fund as at 30 June 2022 is as follows:

Net assets

Up to Rs. 1,000 million
 Exceeding Rs. 1,000 million up to Rs. 3,000 million
 Exceeding Rs. 3,000 million up to Rs. 6,000 million
 Exceeding Rs. 6,000 million

Tariff

Rs. 0.3 million or 0.15% p.a of net assets value, whichever is higher
 Rs. 1.5 million plus 0.10% p.a of net assets value, exceeding Rs. 1,000 million
 Rs. 3.5 million plus 0.08% p.a of net assets value, exceeding Rs. 3,000 million
 Rs. 5.9 million plus 0.06% p.a of net assets value, exceeding Rs. 6,000 million

The remuneration is paid to the Trustee monthly in arrears.

10.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2015. During the year, Sindh Sales Tax at the rate of 13% (June 30, 2021:13%) was charged on trustee remuneration.

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule 36 of the Voluntary Pension System Rules, 2005 whereby the Fund is required to pay the Commission, an amount equal to one twenty-fifth of 1% of the average annual net asset value of the pension fund.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2022					2021				
		Equity sub fund	Debt sub fund	Money Market sub fund	Others	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Others	Total
		(Rupees)									
Provision for Sindh Workers' Welfare Fund	12.1	-	-	-	-	-	18,461,250	2,818,788	3,395,789	-	24,675,827
Federal Excise Duty on management remuneration	12.2	1,103,629	725,198	420,894	-	2,249,721	1,103,629	725,198	420,894	-	2,249,721
Federal Excise Duty on Sales load		-	-	-	1,988,876	1,988,876	-	-	-	1,988,876	1,988,876
Auditors' remuneration		119,873	119,009	118,009	-	356,891	100,628	100,500	100,000	-	301,128
Bank charges		177,136	155,850	33,501	-	366,487	15,935	20,156	15,506	-	51,597
Printing charges		67,041	26,419	39,115	-	132,575	20,597	20,559	20,549	-	61,705
Legal and professional fees		50,958	44,992	48,235	-	144,185	49,422	30,153	30,703	-	110,278
Brokerage fees		222,098	-	-	-	222,098	418,904	5,000	283	-	424,187
Withholding tax		54,125	11,035	21,419	-	86,579	9,506	5,406	7,318	-	22,230
Charity payable	12.3	3,999,873	-	-	-	3,999,873	3,049,410	-	-	-	3,049,410
Shariah Advisor Fee Payable		236,400	115,072	189,477	-	540,949	-	-	-	-	-
Settlement charges		114,040	34,944	49,753	-	198,737	21,424	17,110	15,421	-	53,955
		6,145,173	1,232,519	920,403	1,988,876	10,286,971	23,250,705	3,742,870	4,006,463	1,988,876	32,988,914

- 12.1** SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.
- 12.2** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sind High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Pension Fund Manager as a matter of abundant caution has retained a provision on FED on management aggregating to Rs.1.104 million, Rs.0.725 million and Rs. 0.421 million for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the NAV per unit of the Equity sub fund, Debt sub fund, and Money Market sub fund as at June 30, 2022 would have been higher by Rs. 0.2663, Rs 0.1494 and Rs.0.0478 (June 30, 2021: Rs. 0.2408, Rs 0.1649 and Rs.0.0661) per unit respectively .

- 12.3** In accordance with the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby the portion of the investment of the investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. During the year, Rs. 1.3932 million (June 30, 2021 Rs. 1.1122 million) has been given out to charitable institutions.

13 TAXATION

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, Supertax and any other taxes introduced in Finance Act, 2015 is also not applicable on the Fund. Therefore, no provision in respect of taxation has been made in these financial statements.

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

14 CONTINGENCY AND COMMITMENT

There were no contingencies and commitments outstanding as at June 30, 2022 (June 30, 2021: Nil).

15 EXPENSE RATIO

	2022		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
Total Expense ratio (including government levies)	3.56%	1.50%	1.02%
Government levies	0.25%	0.13%	0.11%
Total Expense ratio (excluding government levies)	3.31%	1.37%	0.91%

16 NUMBER OF UNITS IN ISSUE

	2022				2021			
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Total
	----- (Number of units) -----							
Total units in issue at beginning of the year	4,582,788	4,398,735	6,371,623	15,353,146	4,316,657	3,885,426	5,405,221	13,607,304
Add: Units issued during the year	1,614,937	2,009,771	7,106,437	10,731,145	955,016	1,246,377	2,112,798	4,314,191
Less: Units redeemed during the year	(2,054,091)	(1,555,427)	(4,670,414)	(8,279,932)	(546,422)	(736,713)	(1,574,361)	(2,857,496)
Reallocation during the year	-	-	-	-	(142,463)	3,645	427,965	289,147
Total units in issue at end of the year	4,143,634	4,853,079	8,807,646	17,804,359	4,582,788	4,398,735	6,371,623	15,353,146

17 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Equity Sub-Fund		
	Received / receivable against sale of units	Paid / payable against redemption and reallocation of units	Total
Opening balance as at July 1, 2021	-	42,659	42,659
Received / receivable against issuance of units	222,163,076	-	(222,163,076)
Paid / payable against redemption and reallocation of units	-	(389,330,810)	(389,330,810)
	222,163,076	(389,330,810)	(611,493,886)
Amount received on issuance of units	(222,163,076)		222,163,076
Paid / payable against redemption and reallocation of units		389,334,505	389,334,505
	(222,163,076)	389,334,505	611,497,581
Closing balance as at June 30, 2022	-	46,354	46,354

Debt - Sub-Fund

	Received / receivable against sale of units	Paid / payable against redemption and reallocation of units	Total
	(Rupees)		
Opening balance as at July 1, 2021	-	580,199	580,199
Received / receivable against issuance of units	244,261,965	-	(244,261,965)
Paid / payable against redemption and reallocation of units	-	(170,569,835)	(170,569,835)
	244,261,965	(170,569,835)	(414,831,800)
Amount received on issuance of units	(244,261,965)	-	244,261,965
Paid / payable against redemption and reallocation of units	-	170,429,785	170,429,785
	(244,261,965)	170,429,785	414,691,750
Closing balance as at June 30, 2022	-	440,149	440,149

Money Market - Sub-Fund

Opening balance as at July 1, 2021	-	2,350,686	2,350,686
Received / receivable against issuance of units	867,393,881	-	(867,393,881)
Paid / payable against redemption and reallocation of units	-	(462,589,412)	(462,589,412)
	867,393,881	(462,589,412)	(1,329,983,293)
Amount received on issuance of units	(867,393,881)	-	867,393,881
Paid / payable against redemption and reallocation of units	-	462,988,866	462,988,866
	(867,393,881)	462,988,866	1,330,382,747
Closing balance as at June 30, 2022	-	2,750,140	2,750,140

18 CONTRIBUTION TABLE

Contributions received during the year are as follows:

From:	2022							
	Equity sub-fund		Debt sub-fund		Money Market sub-fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Individuals	1,614,937	222,163,076	2,009,771	244,261,965	7,106,437	603,517,050	10,731,145	1,069,942,091

2021

	Equity sub-fund		Debt sub-fund		Money Market sub-fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Individuals	955,016	329,054,905	1,246,377	190,204,988	2,112,798	328,859,570	4,314,191	848,119,463

19 AUDITORS' REMUNERATION

	2022				2021			
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Total
	(Rupees)							
Annual audit fee	81,000	81,000	81,000	243,000	80,850	80,850	80,850	242,550
Interim review fee	35,000	35,000	35,000	105,000	34,650	34,650	34,650	103,950
Fee for income certification	23,333	23,333	23,333	69,999	-	-	-	-
Out of pocket expenses and sales tax	15,357	8,203	13,703	37,263	6,948	6,948	6,948	20,844
	154,690	147,536	153,036	455,262	122,448	122,448	122,448	367,344

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2022

	Equity sub-fund			Debt sub-fund			Money Market sub-fund			Others	Total
	At amortised Cost	At fair value through profit and loss	Total	At amortised Cost	At fair value through profit and loss	Total	At amortised Cost	At fair value through profit and loss	Total	At amortised Cost	
	(Rupees)										
Financial assets											
Bank balances	39,698,388	-	39,698,388	547,127,146	-	547,127,146	1,416,844,313	-	1,416,844,313	7,543,370	2,011,213,217
Investments	-	1,296,930,679	1,296,930,679	-	272,273,625	272,273,625	-	99,890,000	99,890,000	-	1,669,094,304
Dividend receivable	508,886	-	508,886	-	-	-	-	-	-	-	508,886
Profit receivables	764,615	-	764,615	12,417,965	-	12,417,965	17,860,667	-	17,860,667	-	31,043,247
Deposits and other receivable	3,361,431	-	3,361,431	100,000	-	100,000	100,000	-	100,000	-	3,561,431
	44,333,320	1,296,930,679	1,341,263,999	559,645,111	272,273,625	831,918,736	1,434,804,980	99,890,000	1,534,694,980	7,543,370	3,715,421,085

As at June 30, 2022

Financial liabilities

	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	Total
Payable to NBP Fund Management Limited - Pension Fund Manager	8,624,256	1,762,605	1,649,751	5,554,494	17,591,106
Payable to Central Depository Company of Pakistan Limited - Trustee	133,080	85,452	144,736	-	363,268
Payable against redemption of units	46,354	440,149	2,750,140	-	3,236,643
Net Assets attributable to redeemable Participants	1,330,466,113	828,120,336	1,528,769,025	-	3,687,355,474
Payable against Purchase of investment	-	-	-	-	-
Accrued expenses and other liabilities	4,987,419	496,286	478,090	-	5,961,795
	1,344,257,222	830,904,828	1,533,791,742	5,554,494	3,714,508,286

As at June 30, 2021

Financial assets

	Equity sub-fund			Debt sub-fund			Money Market sub-fund			Others	
	At amortised Cost	At fair value through profit and loss	Total	At amortised Cost	At fair value through profit and loss	Total	At amortised Cost	At fair value through profit and loss	Total	At amortised Cost	Total
Bank balances	112,445,849	-	112,445,849	436,329,164	-	436,329,164	808,089,331	-	808,089,331	4,389,308	1,361,253,652
Investments	-	1,630,215,226	1,630,215,226	-	402,426,798	402,426,798	-	334,095,241	334,095,241	-	2,366,737,265
Dividend receivable	108,387	-	108,387	-	-	-	-	-	-	-	108,387
Profit receivables	1,266,345	-	1,266,345	4,761,267	-	4,761,267	7,045,832	-	7,045,832	-	13,073,444
Deposits and other receivable	14,768,225	-	14,768,225	100,000	-	100,000	107,574	-	107,574	-	14,975,799
	128,588,806	1,630,215,226	1,758,804,032	441,190,431	402,426,798	843,617,229	815,242,737	334,095,241	1,149,337,978	4,389,308	3,756,148,547

	As at June 30, 2021				Total
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	
	(Rupees)				
Financial liabilities					
Payable to NBP Fund Management Limited - Pension Fund Manager	2,471,812	977,340	1,409,604	2,400,432	7,259,188
Payable to Central Depository Company of Pakistan Limited - Trustee	183,813	69,197	102,345	-	355,355
Payable against redemption of units	42,659	580,199	2,350,686	-	2,973,544
Net Assets attributable to redeemable Participants	1,713,937,773	687,527,480	1,015,607,487	-	3,417,072,740
Payable against Purchase of investment	18,974,188	150,569,859	125,649,325	-	295,193,372
Accrued expenses and other liabilities	3,676,320	193,478	182,462	-	4,052,260
	<u>1,739,286,565</u>	<u>839,917,553</u>	<u>1,145,301,909</u>	<u>2,400,432</u>	<u>3,726,906,459</u>

21 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

21.1 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 sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

21.3 Remuneration payable to Pension Fund Manager and the Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

Market risk comprises three types of risk; currency risk, interest rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

The debt and money market sub fund holds balance in savings accounts and KIBOR based sukuk certificates that expose the Fund to cash flow interest rate risk as at June 30, 2022. In case of 100 basis points increase in KIBOR on June 30, 2022, with all other variables held constant, the net assets of the Fund for the year would have been higher by Rs. 21.4 million (2021: 13.95 million) and net income for the year would have been higher by Rs. 1.288 million (2021: 0.390 million). In case of 100 basis points decrease in KIBOR on June 30, 2022, with all other variables held constant, the net assets of the Fund for the year would have been lower by Rs. 21.4 million (2021: 13.95 million) and net income for the year would have been lower by Rs. 1.288 million (2021: 0.390 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the debt and money market sub fund holds interest bearing government securities-Ijarah sukuks and Commercial Papers that expose the Fund to fair value interest rate risk as as at June 30, 2022. In case of 100 basis points increase in KIBOR on June 30, 2022, with all other variables held constant, the net assets of the Fund for the year would have been higher by Rs.1.729 million (June 30, 2021: Rs.4.669 million) and net income for the year would have been higher by Rs.0.5369 million (30 June 2021: Rs.0.2605 million). In case of 100 basis points decrease in KIBOR on 30 June 2022, with all other variables held constant, the net assets of the Fund for the year would have been lower by Rs.1.729 million (June 30, 2021: Rs.4.669 million) and net income for the year would have been lower by Rs.0.5369 million (30 June 2021: Rs.0.2605 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

As at June 30, 2022																										
Effective yield / interest rate	Equity sub-fund				Total	Effective yield / interest rate	Debt sub-fund				Total	Effective yield / interest rate	Money Market sub-fund				Total	Effective yield / interest rate	Others				Total			
	Exposed to yield / interest rate risk						Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk					Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk					Not exposed to yield / interest rate risk	Exposed to yield / interest rate risk						
	Up to three months	More than three months upto one year	More than one year	More than one year				Up to three months	More than three months upto one year	More than one year				More than one year	Up to three months	More than three months upto one year				More than one year	More than one year	Up to three months		More than three months upto one year	More than one year	More than one year
%	(Rupees)				%	(Rupees)				%	(Rupees)				%	(Rupees)				(Rupees)						
On-balance sheet financial instruments																										
Financial assets																										
Bank balances	6.5 to 15.59	39,698,388	-	-	39,698,388	6.5 to 15.59	547,127,146	-	-	547,127,146	6.5 to 15.59	1,416,844,313	-	-	1,416,844,313	6.5 to 15.59	7,543,370	-	-	-	7,543,370	2,011,213,217				
Investments	7.0 - 16.0	-	-	1,296,930,679	1,296,930,679	7.0 - 16.0	172,445,625	-	99,828,000	272,273,625	7.0 - 16.0	25,000,000	-	74,890,000	99,890,000	-	-	-	-	-	-	1,669,094,304				
Dividend receivable	-	-	-	508,886	508,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	508,886				
Profit receivables	-	-	-	764,615	764,615	-	-	-	12,417,965	12,417,965	-	-	-	17,860,667	17,860,667	-	-	-	-	-	-	31,043,247				
Deposits and other receivable	-	-	-	3,361,431	3,361,431	-	-	-	100,000	100,000	-	-	-	100,000	100,000	-	-	-	-	-	-	3,561,431				
		39,698,388	-	-	1,301,565,611	1,341,263,999	719,572,771	-	99,828,000	12,517,965	831,918,736	1,441,844,313	-	74,890,000	17,960,667	1,534,694,980	7,543,370	-	-	-	7,543,370	3,715,421,085				
Financial liabilities																										
Payable to NBP Fund Management Limited - Pension Fund Manager	-	-	-	8,624,256	8,624,256	-	-	-	1,762,605	1,762,605	-	-	-	1,649,751	1,649,751	5,554,494	-	-	6,393,869	11,946,363	23,984,975					
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	133,080	133,080	-	-	-	85,452	85,452	-	-	-	144,736	144,736	-	-	-	-	-	-	363,268				
Net Assets attributable to redeemable Participants	-	-	-	1,330,466,113	1,330,466,113	-	-	-	828,120,336	828,120,336	-	-	-	1,528,769,025	1,528,769,025	-	-	-	-	-	-	3,687,355,474				
Payable against redemption of units	-	-	-	46,354	46,354	-	-	-	440,149	440,149	-	-	-	2,750,140	2,750,140	-	-	-	-	-	-	3,236,643				
Payable against Purchase of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Accrued expenses and other liabilities	-	-	-	4,987,419	4,987,419	-	-	-	496,286	496,286	-	-	-	478,090	478,090	-	-	-	1,988,876	1,988,876	7,950,671					
	-	-	-	1,344,257,222	1,344,257,222	-	-	-	830,904,828	830,904,828	-	-	-	1,533,791,742	1,533,791,742	5,554,494	-	-	8,362,745	13,937,239	3,722,891,031					
On-balance sheet gap		39,698,388	-	-	(42,691,611)	(2,993,223)	719,572,771	-	99,828,000	(818,386,863)	1,013,908	1,441,844,313	-	74,890,000	(1,515,831,075)	903,238	1,988,876	-	-	(8,362,745)	(6,393,869)	(7,469,946)				
Off-balance sheet financial instruments																										
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total interest rate sensitivity gap		39,698,388	-	-	(42,691,611)	(2,993,223)	719,572,771	-	99,828,000	(818,386,863)	1,013,908	1,441,844,313	-	74,890,000	(1,515,831,075)	903,238	1,988,876	-	-	(8,362,745)	(6,393,869)	(7,469,946)				
Cumulative interest rate sensitivity gap		39,698,388	39,698,388	39,698,388			719,572,771	719,572,771	819,400,771			1,441,844,313	1,441,844,313	1,516,734,313			1,988,876	1,988,876	1,988,876							

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

	As at June 30, 2021																Total						
	Equity sub-fund				Debt sub-fund				Money Market sub-fund				Others										
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk				Not exposed to yield / interest rate risk	Total				
		Up to three months	More than three months upto one year	More than one year				Up to three months	More than three months upto one year	More than one year				Up to three months	More than three months upto one year	More than one year				Up to three months	More than three months upto one year	More than one year	
%	(Rupees)			%	(Rupees)			%	(Rupees)			%	(Rupees)										
On-balance sheet financial instruments																							
Financial assets																							
Bank balances	2.5 to 7.40	112,445,849	-	-	112,445,849	2.5 to 7.40	436,329,164	-	-	436,329,164	2.5 to 7.40	808,089,331	-	-	808,089,331	2.5 to 7.40	4,389,308	-	-	4,389,308	1,361,253,652		
Investments	5.24 - 13	-	-	1,630,215,226	1,630,215,226	5.24 - 13	153,266,798	-	149,160,000	100,000,000	402,426,798	6.63-7.65	210,095,241	-	124,000,000	-	334,095,241	-	-	-	2,366,737,265		
Dividend receivable	-	-	-	108,387	108,387	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,387		
Profit receivables	-	-	-	1,266,345	1,266,345	-	-	-	4,761,267	4,761,267	-	-	-	7,045,832	7,045,832	-	-	-	-	-	13,073,444		
Deposits and other receivable	-	-	-	14,768,225	14,768,225	-	-	-	100,000	100,000	-	-	-	107,574	107,574	-	-	-	-	-	14,975,799		
		112,445,849	-	1,646,398,183	1,758,804,032		589,595,962	-	149,160,000	104,861,267	843,617,229		1,018,184,572	-	124,000,000	7,153,406	1,149,337,978		4,389,308	-	4,389,308	3,756,148,547	
Financial liabilities																							
Payable to NBP Fund Management Limited - Pension Fund Manager	-	-	-	2,471,812	2,471,812	-	-	-	977,340	977,340	-	-	-	1,409,604	1,409,604	2,400,432	-	-	6,393,869	8,794,301	13,653,057		
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	183,813	183,813	-	-	-	69,197	69,197	-	-	-	102,345	102,345	-	-	-	-	-	355,355		
Net Assets attributable to redeemable Participants	-	-	-	1,713,937,773	1,713,937,773	-	-	-	687,527,480	687,527,480	-	-	-	1,015,607,487	1,015,607,487	-	-	-	-	-	3,417,072,740		
Payable against redemption of units	-	-	-	42,659	42,659	-	-	-	580,199	580,199	-	-	-	2,350,686	2,350,686	-	-	-	-	-	2,973,544		
Payable against Purchase of investment	-	-	-	18,974,188	18,974,188	-	-	-	150,569,859	150,569,859	-	-	-	125,649,325	125,649,325	-	-	-	-	-	295,193,372		
Accrued expenses and other liabilities	-	-	-	3,676,320	3,676,320	-	-	-	193,478	193,478	-	-	-	182,462	182,462	-	-	1,988,876	1,988,876	-	6,041,136		
	-	-	-	1,739,286,565	1,739,286,565	-	-	-	839,917,553	839,917,553	-	-	-	1,145,301,909	1,145,301,909	2,400,432	-	-	8,382,745	10,783,177	3,735,289,204		
On-balance sheet gap		112,445,849	-	(92,928,382)	19,517,467		589,595,962	-	149,160,000	(735,056,286)	3,699,676		1,018,184,572	-	124,000,000	(1,138,148,503)	4,036,069		1,988,876	-	(8,382,745)	(6,393,869)	20,859,343
Off-balance sheet financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Off-balance sheet gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total interest rate sensitivity gap		112,445,849	-	(92,928,382)	19,517,467		589,595,962	-	149,160,000	(735,056,286)	3,699,676		1,018,184,572	-	124,000,000	(1,138,148,503)	4,036,069		1,988,876	-	(8,382,745)	(6,393,869)	20,859,343
Cumulative interest rate sensitivity gap		112,445,849	112,445,849	112,445,849		589,595,962	589,595,962	738,755,962					1,018,184,572	1,018,184,572	1,142,184,572				1,988,876	1,988,876	1,988,876		

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

21.1.3 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The pension fund manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the participants from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the pension fund manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund's overall market positions are monitored on a quarterly basis by the board of directors of the Pension Fund Manager.

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 6 to these financial statements. At 30 June 2022 the Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the Karachi Meezan Index - 30 (KMI). The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The net assets of the Fund will increase / decrease by approximately Rs. 12.969 million (2021: Rs. 16.302 million) if the prices of equity vary due to increase / decrease in the KMI. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the KMI and that the KMI increases / decreases by 1% on KMI index with all other factors held constant.

The Pension Fund Manager uses the KMI as a reference point in making investment decisions. However, the Pension Fund Manager does not manage the Fund's investment strategy to track the KMI or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at June 30, 2022 and the historical correlation of the securities comprising the portfolio of the KMI. The composition of the Fund's investment portfolio and the correlation thereof to the KMI, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets attributed to units of future movements in the level of the KMI.

21.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities, dividends receivable on equity securities and other deposits.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through the assignment of credit limits and by following strict credit evaluation criteria laid down by the Pension Fund Manager.

Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of investment in debt securities, profit receivable on debt securities, dividends receivable on equity securities, receivable against sale of investments and other deposits.

Rating Agency	2022				2021				
	Debt sub-fund		Money market sub-fund		Debt sub-fund		Money market sub-fund		
		(%)	(%)		(%)	(%)	(%)		
- Government		99,828,000	37%	74,890,000	75%	149,160,000	46%	124,000,000	58%
- AAA	VIS/PACRA	36,225,000	13%	-	0%	13,104,000	4%	-	0%
- AA+	VIS/PACRA	74,250,000	27%	25,000,000	25%	63,853,075	20%	88,000,000.00	42%
- A+	VIS/PACRA	60,300,000	22%	-	0%	-	0%	-	0%
- A1	VIS/PACRA	-	0%	-	0%	100,000,000	31%	-	0%
		270,603,000	100%	99,890,000	100%	326,117,075	100%	212,000,000	100%

Credit Rating wise analysis of balances with banks of the Fund are tabulated below:

Ratings	Rating agency	2022		2021	
		(Rs. in '000)	(%)	(Rs. in '000)	(%)
AAA	VIS, PACRA	1,482,504,278	73.71	1,312,495,821	96.42
AA+	VIS, PACRA	72,626	0.00	65,908	0
AA	VIS, PACRA	5,701,647	0.28	1,464,160	0.11
AA-	VIS, PACRA	1,439,603	0.07	952,986	0.07
A+	VIS, PACRA	20,406,304	1.01	45,882,082	3.37
A	VIS, PACRA	-	0.00	392,695	0.03
A-	VIS, PACRA	498,377,710	24.78	-	0
A1+	VIS, PACRA	2,711,049	0.13	-	0
		2,011,213,217		1,361,253,652	

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentration of credit risk.

The maximum exposure to credit risk as at June 30, 2022 along with comparative is tabulated below:

Financial assets exposed to credit risk	2022					2021
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Others	Total	Total
Bank balances	39,698,388	547,127,146	1,416,844,313	7,543,370	2,011,213,217	1,361,253,652
Investments	-	270,603,000	99,890,000	-	370,493,000	538,117,075
Dividend receivable	508,886	-	-	-	508,886	108,387
Profit receivable	764,615	12,417,965	17,860,667	-	31,043,247	13,073,444
Deposits and other receivables	3,361,431	100,000	100,000	-	3,561,431	14,975,799
	44,333,320	830,248,111	1,534,694,980	7,543,370	2,416,819,781	1,927,528,357

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the participant's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP). The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and cannot be readily disposed and are considered readily realisable.

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 10% of the total net assets value at the time of borrowing with repayment within 90 days of such borrowings.

No such borrowings were made during the period.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

As at June 30, 2022														
Equity sub-fund				Debt sub-fund				Money Market sub-fund				Others	Total	
Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Upto three months		
----- (Rupees) -----														
Financial Liabilities (excluding participants' funds)														
Payable to NBP Fund Management Limited														
- Pension Fund Manager	8,624,256	8,624,256	-	-	1,762,605	1,762,605	-	-	1,649,751	1,649,751	-	-	5,554,494	17,591,106
Payable to Central Depository Company														
of Pakistan Limited - Trustee	133,080	133,080	-	-	85,452	85,452	-	-	144,736	144,736	-	-	-	363,268
Payable against redemption of units	46,354	46,354	-	-	440,149	440,149	-	-	2,750,140	2,750,140	-	-	-	3,236,643
Net Assets attributable to redeemable Participants	1,330,466,113	1,330,466,113	-	-	828,120,336	828,120,336	-	-	1,528,769,025	1,528,769,025	-	-	-	3,687,355,474
Payable against Purchase of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	4,987,419	4,987,419	-	-	496,286	496,286	-	-	478,090	478,090	-	-	1,988,876	7,950,671
	1,344,257,222	1,344,257,222	-	-	830,904,828	830,904,828	-	-	1,533,791,742	1,533,791,742	-	-	7,543,370	3,716,497,162

As at June 30, 2021													
Equity sub-fund				Debt sub-fund				Money Market sub-fund				Others	Total
Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Upto three months	
(Rupees)													
Financial Liabilities (excluding participants' funds)													
Payable to NBP Fund Management Limited													
- Pension Fund Manager													
2,471,812	2,471,812	-	-	977,340	977,340	-	-	1,409,604	1,409,604	-	-	2,400,432	7,259,188
Payable to Central Depository Company													
of Pakistan Limited - Trustee													
183,813	183,813	-	-	69,197	69,197	-	-	102,345	102,345	-	-	-	355,355
Payable against redemption of units													
42,659	42,659	-	-	580,199	580,199	-	-	2,350,686	2,350,686	-	-	-	2,973,544
Net Assets attributable to redeemable Participants													
1,713,937,773	1,713,937,773	-	-	687,527,480	687,527,480	-	-	1,015,607,487	1,015,607,487	-	-	-	3,417,072,740
Payable against Purchase of investment													
18,974,188	18,974,188	-	-	150,569,859	150,569,859	-	-	125,649,325	125,649,325	-	-	-	295,193,372
Accrued expenses and other liabilities													
3,676,320	3,676,320	-	-	193,478	193,478	-	-	182,462	182,462	-	-	1,988,876	6,041,136
1,739,286,565	1,739,286,565	-	-	839,917,553	839,917,553	-	-	1,145,301,909	1,145,301,909	-	-	4,389,308	3,728,895,335

The above mentioned financial liabilities do not carry any Profit.

Units of the Fund are redeemable on demand at the participants' option. However, participants typically retain them from medium to long term.

The details of significant transactions carried out by the Fund with connected persons and balances with them for the year and at year end are as follows:

21.4 Transactions during the year

	2022				2021			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
(Rupees)								
NBP Fund Management Limited - Pension Fund Manager								
Remuneration to Pension Fund Manager	22,401,137	4,733,857	5,641,170	32,776,164	22,751,397	9,017,082	12,724,096	44,492,575
Sindh Sales Tax on remuneration to Pension Fund Manager	2,912,148	615,401	733,352	4,260,901	2,957,682	1,172,221	1,654,133	5,784,036
Reimbursement of Allocated expenses related to registrar services, accounting, operation and valuation services	2,236,930	598,172	1,003,266	3,838,368	-	-	-	-
Reimbursement of Selling and Marketing expenses	20,132,367	3,173,949	2,316,447	25,622,763	-	-	-	-
Sales Load charged during the period	-	-	-	9,437,092	-	-	-	7,981,783

	2022				2021			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	----- (Rupees) -----							
Central Depository Company of Pakistan Limited - Trustee								
Remuneration to the Trustee	1,665,292	840,850	1,388,500	3,894,642	1,771,936	702,687	991,533	3,466,156
Sindh Sales Tax on remuneration to Trustee	216,489	109,311	180,505	506,305	230,351	91,348	131,828	453,527
Settlement charges	55,582	6,780	6,780	69,142	29,726	6,780	2,912	39,418
Taurus Securities Limited (Common directorship with the management company)								
Brokerage charges	94,857	-	-	94,857	149,631	-	-	149,631
Amjad Waheed - Chief Executive - CEO of management company								
Amount of units issued	-	-	-	-	2,497,000	-	3,034,000	5,531,000
Number of units issued	-	-	-	-	9,381	-	19,680	29,061
Amount of units redeemed	-	-	-	-	5,566,000	-	5,663,000	11,229,000
Number of units redeemed	-	-	-	-	19,387	-	36,718	56,105
Khalid Mansoor - Directors of management company*								
Amount of units issued	-	-	-	-	4,897,000	-	6,376,000	11,273,000
Number of units issued	-	-	-	-	12,780	-	40,138	52,918
Amount of units redeemed	-	-	-	-	4,980,000	3,355,000	2,938,000	11,273,000
Number of units redeemed	-	-	-	-	13,158	21,527	18,471	53,156
Khalid Mahmood - CFO of management company*								
Amount of units issued	-	-	-	-	-	-	-	-
Number of units issued	-	-	-	-	-	-	-	-
Amount of units redeemed	958,000	-	-	958,000	-	-	-	-
Number of units redeemed	2,688	-	-	2,688	-	-	-	-
National clearing company of Pakistan limited (Common directorship with the management company)*								
NCCPL Charges	421,413	365,000	-	786,413	425,717	338,596	-	764,313

	2022				2021			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	----- (Rupees) -----							
The Hub Power Company Private Limited (Common directorship with the management company)								
Purchase of Sukuks	-	-	-	-	-	18,000,000	88,000,000	106,000,000
Profit income on sukuk	-	-	-	-	-	3,462,459	335,616	3,798,075
Shares Purchased (2021: 53,000 Shares)	-	-	-	-	4,176,253	-	-	4,176,253
Shares sold (2021: NIL Shares)	-	-	-	-	-	-	-	-
Employees of NBP Fund Management Limited								
Number of units issued	345,845	110,726	1,245,054	1,701,625	77,637,000	8,231,000	38,206,000	124,074,000
Amount of units issued	120,179,000	17,884,000	208,642,000	346,705,000	229,897	54,116	243,812	527,825
Number of units redeemed	560,917	96,305	917,166	1,574,388	45,541,000	12,419,000	45,887,000	103,847,000
Amount of units redeemed	196,834,000	15,784,000	154,887,000	367,505,000	131,144	82,175	296,461	509,780
BankIslami Pakistan Limited (Common directorship with the Management Company)								
Profit Income on Bank Balances	2,038,079	441,170	64,045	2,543,294	1,134,292	2,158,616	1,435,123	4,728,031
Profit Income on TDR Placement	-	2,459,518	-	2,459,518	-	6,976,458	8,928,018	15,904,476
Placement of TDR	-	300,612,329	-	300,612,329	-	1,134,500,000	1,325,500,000	2,460,000,000
Purchase of GOP Ijarah	-	-	-	-	-	48,365,445	48,365,445	96,730,890
Sale of GOP Ijarah	-	49,358,753	49,358,753	98,717,506	-	48,327,192	48,327,192	96,654,384
Portfolio managed by Management company								
Number of units issued	-	-	15,262	15,262	-	-	-	-
Amount of units issued	-	-	2,587,000	2,587,000	-	-	-	-
Number of units redeemed	7,027	-	-	7,027	-	-	-	-
Amount of units redeemed	2,587,000	-	-	2,587,000	-	-	-	-
International Steels Limited								
Shares Purchased	4,800	-	-	4,800	-	-	-	-
Shares sold	21,400	-	-	21,400	-	-	-	-

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

21.5 Amount outstanding as at year end

	2022					2021				
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Other	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Other	Total
----- (Rupees) -----										
NBP Fund Management Limited - Pension Fund Manager										
Remuneration payable	1,587,236	271,749	230,165	-	2,089,150	2,121,072	798,534	1,181,071	-	4,100,677
Sindh Sales Tax payable	206,340	35,324	29,917	-	271,581	275,740	103,806	153,533	-	533,079
Preliminary expenses and floatation cost payable	75,000	75,000	75,000	-	225,000	75,000	75,000	75,000	-	225,000
Reimbursement of allocated expenses related to registrar services, accounting, operation and valuation services	675,568	201,832	342,546	-	1,219,946	-	-	-	-	-
Reimbursement of Selling & Marketing Expenses	6,080,112	1,178,700	972,123	-	8,230,935	-	-	-	-	-
Sales load inclusive of Sinds Sales Tax	-	-	-	5,554,494	5,554,494	-	-	-	2,400,432	2,400,432
Employees of NBP Fund Management Limited										
Number of units held	117,065	44,626	486,918	-	648,609	422,944	25,484	162,566	-	610,994
Amount of units held	37,588,000	7,615,000	84,516,000	-	129,719,000	158,179,000	3,983,000	25,912,000	-	188,074,000
Central Depository Company of Pakistan Limited - Trustee										
Remuneration payable	117,770	75,622	128,085	-	321,477	162,666	61,236	90,571	-	314,473
Sindh Sales Tax payable	15,310	9,830	16,651	-	41,791	21,147	7,961	11,774	-	40,882
Security Deposit	100,000	100,000	100,000	-	300,000	100,000	100,000	100,000	-	300,000
Settlement charges payable	-	-	-	-	-	21,424	17,110	15,421	-	53,955
Khalid Mahmood - CFO of management company										
Number of units held	-	-	-	-	-	2,688	-	-	-	2,688
Amount of units held	-	-	-	-	-	1,005,000	-	-	-	1,005,000
Director of the Company*										
Number of units held	12,780	-	30,787	-	43,567	12,780	-	30,787	-	43,567
Amount of units held	4,104,000	-	5,344,000	-	9,448,000	4,780,000	-	4,907,000	-	9,687,000

	2022					2021				
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Other	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Other	Total
----- (Rupees) -----										
Bank Islami Pakistan Limited (Common directorship with the Management Company)										
Bank Balances	17,828,643	2,091,020	54,219	-	19,973,882	41,755,061	1,681,132	1,402,332	-	44,838,525
Profit Receivable on Bank Balances	319,452	2,160	31,267	-	352,879	116,164	17,125	292,249	-	425,538
Term deposit receipt placement	-	-	-	-	-	-	100,000,000	-	-	100,000,000
Profit Receivable on term deposit receipt	-	-	-	-	-	-	39,973	-	-	39,973
National clearing company of Pakistan limited (Common directorship with the management company)										
Security Deposit	2,500,000	-	-	-	2,500,000	2,500,000	-	-	-	2,500,000
NCCPL Charges Payable	37,826	30,000	-	-	67,826	41,483	30,000	-	-	71,483
Taurus Securities Limited (Common directorship with the management company)										
Brokerage payable	-	-	-	-	-	16,279	-	-	-	16,279
The Hub Power Company Private Limited (Common directorship with the management company)										
Shares held	-	-	-	-	-	81,797,906	-	-	-	81,797,906
Profit Receivable on Sukuk	-	-	-	-	-	-	359,014	-	-	359,014
Sukuks Held	-	-	-	-	-	-	53,698,075	-	-	53,698,075
Portfolio managed by Management company										
Number of units held	-	-	32,259	-	32,259	-	-	-	-	-
Amount of units held	-	-	5,599,000	-	5,599,000	-	-	-	-	-

* Current period balances with these parties have not been disclosed as they were not connected persons and related parties during current period.

22 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment-grade debt securities, government securities and other money market instruments.

These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

23 PARTICIPANTS' FUNDS RISK MANAGEMENT (CAPITAL RISK)

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank parri passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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

The following table presents the assets that are measured at fair value

Note	June 30, 2022																								Total			
	Equity Fund				Debt Fund				Money Market Fund				Others															
	Fair Value				Fair value				Fair value																			
	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2		Level 3	Total	Amortised cost	Other financial liabilities	Total								
On-balance sheet financial instruments																												
Financial assets measured at fair value																												
Investments																												
- Listed equity securities	1,296,930,679	-	-	1,296,930,679	1,296,930,679	-	-	1,296,930,679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,296,930,679		
- Government of Pakistan - Ijarah Sukuk	-	-	-	-	-	-	-	-	99,828,000	-	-	99,828,000	99,828,000	-	-	-	99,828,000	74,890,000	-	-	74,890,000	-	74,890,000	-	74,890,000	-	174,718,000	
Sukuk certificates	-	-	-	-	-	-	-	-	172,445,625	-	-	172,445,625	172,445,625	-	-	-	172,445,625	25,000,000	-	-	25,000,000	-	25,000,000	-	25,000,000	-	197,445,625	
Commercial papers	-	-	-	-	-	-	-	-	-	-	-	-	76,309,722	-	-	-	76,309,722	-	-	-	-	-	-	122,095,242	-	122,095,242	-	
Term deposit receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1,296,930,679	-	-	1,296,930,679	1,296,930,679	-	-	1,296,930,679	272,273,625	-	-	272,273,625	-	272,273,625	76,309,722	348,583,347	99,890,000	-	-	99,890,000	-	99,890,000	122,095,242	221,985,242	-	-	-	1,689,094,304
Financial assets not measured at fair value																												
24.1																												
Bank balances	-	39,698,388	-	39,698,388	-	-	-	-	-	547,127,146	-	547,127,146	-	-	-	-	-	1,416,844,313	-	-	1,416,844,313	-	-	-	7,543,370	-	7,543,370	2,011,213,217
Dividend receivable	508,886	-	-	508,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	508,886
Profit receivables	-	764,615	-	764,615	-	-	-	-	-	12,417,965	-	12,417,965	-	-	-	-	-	17,860,667	-	-	17,860,667	-	-	-	-	-	-	31,043,247
Deposits and other receivable	-	3,361,431	-	3,361,431	-	-	-	-	-	100,000	-	100,000	-	-	-	-	-	100,000	-	-	100,000	-	-	-	-	-	-	3,561,431
	508,886	43,824,434	-	44,333,320	-	-	-	-	-	559,645,111	-	559,645,111	-	-	-	-	-	1,434,804,980	-	-	1,434,804,980	-	-	-	7,543,370	-	7,543,370	2,046,326,761
Financial liabilities not measured at fair value																												
24.1																												
Payable to NBP Fund Management Limited - Pension Fund Manager	-	-	8,624,256	8,624,256	-	-	-	-	-	1,762,605	-	1,762,605	-	-	-	-	-	1,649,751	-	-	1,649,751	-	-	-	-	5,554,494	5,554,494	17,591,106
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	133,080	133,080	-	-	-	-	-	85,452	-	85,452	-	-	-	-	-	144,736	-	-	144,736	-	-	-	-	-	-	363,268
Net Assets attributable to redeemable Participants	-	-	1,330,466,113	1,330,466,113	-	-	-	-	-	828,120,336	-	828,120,336	-	-	-	-	-	1,528,769,025	-	-	1,528,769,025	-	-	-	-	-	-	3,687,355,474
Payable against redemption of units	-	-	46,354	46,354	-	-	-	-	-	440,149	-	440,149	-	-	-	-	-	2,750,140	-	-	2,750,140	-	-	-	-	-	-	3,236,643
Payable against Purchase of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	4,987,419	4,987,419	-	-	-	-	-	496,286	-	496,286	-	-	-	-	-	478,090	-	-	478,090	-	-	-	-	1,988,876	1,988,876	7,950,671
	-	-	1,344,257,222	1,344,257,222	-	-	-	-	-	830,904,828	-	830,904,828	-	-	-	-	-	1,533,791,742	-	-	1,533,791,742	-	-	-	-	7,543,370	7,543,370	3,716,497,162

Note	June 30, 2021																								Total			
	Equity Fund				Debt Fund				Money Market Fund				Others															
	Fair Value				Fair Value				Fair Value																			
	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2		Level 3	Total	Amortised cost	Other financial liabilities	Total								
On-balance sheet financial instruments																												
Financial assets measured at fair value																												
Investments																												
- Listed equity securities	1,630,215,226	-	-	1,630,215,226	1,630,215,226	-	-	1,630,215,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,630,215,226
- Government of Pakistan - Ijarah Sukuk	-	-	-	-	-	-	-	-	149,160,000	-	149,160,000	149,160,000	-	-	-	-	149,160,000	124,000,000	-	-	124,000,000	-	124,000,000	-	124,000,000	-	273,160,000	
Sukuk certificates	-	-	-	-	-	-	-	-	76,957,075	-	76,957,075	76,957,075	-	-	-	-	76,957,075	88,000,000	-	-	88,000,000	-	88,000,000	-	88,000,000	-	164,957,075	
Commercial papers	-	-	-	-	-	-	-	-	76,309,723	-	76,309,723	76,309,722	-	-	-	-	76,309,722	-	-	122,095,241	-	122,095,241	-	122,095,242	-	122,095,242	-	198,404,964
Term deposit receipts**	-	-	-	-	-	-	-	-	100,000,000	-	100,000,000	100,000,000	-	-	-	-	100,000,000	-	-	-	-	-	-	-	-	-	100,000,000	
	1,630,215,226	-	-	1,630,215,226	1,630,215,226	-	-	1,630,215,226	326,117,075	76,309,723	402,426,798	-	326,117,075	76,309,722	402,426,797	212,000,000	122,095,241	-	-	334,095,241	-	212,000,000	122,095,242	334,095,242	-	-	-	2,366,737,265

		June 30, 2021																										
Equity Fund				Debt Fund								Money Market Fund					Others			Total								
		Fair Value							Fair Value									Total										
At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	Amortised cost	Other financial liabilities	Total		
Financial assets not measured at fair value	23.1																											
Bank balances	-	112,445,849	-	112,445,849	-	-	-	-	436,329,164	-	436,329,164	-	-	-	-	-	808,089,331	-	808,089,331	-	-	-	-	-	4,389,308	-	4,389,308	1,361,263,652
Dividend receivable	108,387	-	-	108,387	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,387	
Profit receivables	-	1,266,345	-	1,266,345	-	-	-	-	4,761,267	-	4,761,267	-	-	-	-	-	7,045,832	-	7,045,832	-	-	-	-	-	-	-	-	13,073,444
Deposits and other receivable	-	14,768,225	-	14,768,225	-	-	-	-	100,000	-	100,000	-	-	-	-	-	107,574	-	107,574	-	-	-	-	-	-	-	-	14,975,799
		108,387	128,480,419	-	128,588,806	-	-	-	441,190,431	-	441,190,431	-	-	-	-	-	815,242,737	-	815,242,737	-	-	-	-	-	4,389,308	-	4,389,308	1,389,411,282
Financial liabilities not measured at fair value	23.1																											
Payable to NBP Fund Management Limited - Pension Fund Manager	-	-	2,471,812	2,471,812	-	-	-	-	977,340	-	977,340	-	-	-	-	-	-	1,409,604	1,409,604	-	-	-	-	-	2,400,432	2,400,432	7,259,188	
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	183,813	183,813	-	-	-	-	69,197	-	69,197	-	-	-	-	-	-	102,345	102,345	-	-	-	-	-	-	-	-	355,355
Net Assets attributable to redeemable Participants	-	-	1,713,937,773	1,713,937,773	-	-	-	-	687,527,480	-	687,527,480	-	-	-	-	-	-	1,015,607,487	1,015,607,487	-	-	-	-	-	-	-	-	3,417,072,740
Payable against redemption of units	-	-	42,659	42,659	-	-	-	-	590,199	-	590,199	-	-	-	-	-	-	2,350,686	2,350,686	-	-	-	-	-	-	-	-	2,973,544
Payable against Purchase of investment	-	-	18,974,188	18,974,188	-	-	-	-	150,569,859	-	150,569,859	-	-	-	-	-	-	125,649,325	125,649,325	-	-	-	-	-	-	-	-	295,193,372
Accrued expenses and other liabilities	-	-	3,676,320	3,676,320	-	-	-	-	193,478	-	193,478	-	-	-	-	-	-	182,462	182,462	-	-	-	-	-	1,988,876	1,988,876	6,041,136	
		-	1,739,286,565	1,739,286,565	-	-	-	-	839,917,553	-	839,917,553	-	-	-	-	-	-	1,145,301,909	1,145,301,909	-	-	-	-	-	4,389,308	4,389,308	3,728,865,335	

24.1 There were no transfers between above levels during the year.

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

24.3 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

25 FINANCIAL PERFORMANCE

25.1 Equity sub fund

	Equity sub fund					
	2022	2021	% Change	2020	2019	2018
	----- (Rupees) -----			----- (Rupees) -----		
Net (loss) / income for the year	(216,303,926)	511,439,441	(1.42)	58,615,157	(204,397,874)	(103,883,989)
Gain / (loss) on sale of investments - net	3,022,890	135,914,536	(0.98)	19,276,685	(59,821,856)	(57,190,923)
Net unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	(275,299,641)	350,933,082	(1.78)	15,221,896	(180,738,426)	(74,949,057)
Dividend income	85,691,236	61,779,905	0.39	40,643,392	52,032,047	43,908,175
Profit on bank deposits	4,878,855	4,405,923	0.11	6,595,812	7,148,754	4,267,879
NAV per unit	321.0868	373.9946	(0.14)	260.2000	241.5302	295.2652
Transactions in securities						
Purchases	460,191,910	740,129,991	(0.38)	850,831,554	715,394,666	736,430,683
Sales	525,394,105	694,208,259	(0.24)	640,951,498	686,068,645	466,729,537
Total contribution received	222,163,076	329,054,905	(0.32)	279,161,664	225,080,221	357,809,281

25.2 Debt sub fund

	Debt sub fund					
	2022	2021	% Change	2020	2019	2018
	(Rupees)			(Rupees)		
Net income for the year	66,900,726	31,030,485	1.16	47,185,892	24,634,579	10,035,767
Gain / (loss) on sale of investments - net	(470,000)	444,000	(2.06)	2,407,655	(154,500)	(695,000)
Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	1,466,550	209,395	6.00	(533,820)	(2,144,655)	(2,571,000)
Profit on bank deposits	35,714,589	10,594,519	2.37	29,601,480	23,684,500	12,699,995
Profit on term deposit receipt	3,974,929	13,416,844	(0.70)	11,850,641	2,935,551	-
Return on government securities	11,626,309	10,850,844	0.07	7,347,484	4,873,200	7,698,987
Return on sukuk	18,656,260	5,140,656	2.63	5,635,477	2,415,766	-
Income from commercial paper	4,407,552	2,710,847	0.63	2,069,339	1,649,009	322,776
NAV per unit	170.6381	156.3012	0.09	148.4727	135.6539	127.8059
Transactions in securities						
Purchases	695,612,329	2,198,382,521	(0.68)	1,418,500,000	517,250,000	9,000,000
Sales	50,000,000	250,380,278	(0.80)	47,925,000	395,875,000	50,000,000
Total contribution received	244,261,965	190,204,988	0.28	184,156,673	200,279,263	150,699,964

25.3 Money market sub fund

	Money Market sub fund					
	2022	2021	% Change	2020	2019	2018
	(Rupees)			(Rupees)		
Net income for the year	108,357,069	40,239,054	1.69	64,622,101	35,040,833	10,474,898
Gain / (loss) on sale of investments - net	(470,000)	372,500	1.00	-	-	(208,500)
Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	(550,000)	10,000	(56.00)	(1,365,000)	-	-
Profit on bank deposits	88,525,112	23,356,679	2.79	58,481,890	41,768,130	16,304,439
Profit on term deposit receipt	4,761,096	20,170,272	(0.76)	19,110,636	3,271,957	-
Return on government securities	9,163,633	9,078,727	0.01	909,006	-	-
Income from commercial paper	8,795,187	3,669,158	1.40	2,200,321	-	-
NAV per unit	173.5729	159.3954	0.09	152.0531	138.3973	128.6895
Transactions in securities						
Purchases	850,000,000	3,005,085,788	(0.72)	100,000,000	471,500,000	-
Sales	50,000,000	224,316,076	1.00	-	353,500,000	15,000,000
Total contribution received	603,517,050	328,859,570	0.84	332,639,256	283,414,771	291,215,138

25.4 Highest and lowest issue price of units

	Equity sub fund		Debt sub fund		Money Market sub fund	
	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price
	----- (Rupees) -----					
2022	396.54	314.17	170.64	156.33	173.57	159.42
2021	385.74	265.93	156.30	148.49	159.40	152.07
2020	312.31	194.80	135.79	127.77	138.40	128.71
2019	308.44	234.86	135.78	127.76	138.39	128.71
2018	334.77	268.42	127.81	124.21	124.28	128.68
2017	366.62	243.05	124.36	119.66	124.27	119.72
2016	247.66	198.25	119.67	115.30	119.00	115.19
2015	210.85	128.52	115.29	109.19	115.00	108.52
2014	137.00	101.00	109.00	101.00	109.00	101.00
2013	100.00	100.00	100.00	100.00	100.00	100.00

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Pension Fund Manager in their meeting held on September 27, 2022.

For NBP Fund Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

PROXY ISSUED BY THE FUND

The proxy voting policy of **NAFA Islamic Pension Fund**, duly approved by Board of Directors of the Management Company, is available on the website of NBP Fund Management Limited i.e. www.nbpfund.com. A detailed information regarding actual proxies voted by the Management Company in respect of the fund is also available without charge, upon request, to all unit holders.

The details of summarized proxies voted are as follows:

NAFA Islamic Pension Fund				
	Resolutions	For	Against	Abstain*
Number	10	10	Nil	N/A
(%)	100%	100%	-	-

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