

**NBP FUNDS**  
Managing Your Savings

Islamic Savings

Aitemaad اعتماد

اسماء سائبر

**NBP Fund Management Limited**



# NBP ISLAMIC ACTIVE ALLOCATION EQUITY 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."

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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

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

### Human Resource Committee

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

### Strategy & Business Planning Committee

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

### Trustee

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

### Bankers to the Fund

Bank Islami Pakistan Limited  
Habib Bank Limited  
United Bank Limited  
Dubai Islamic Bank Limited  
Silk Bank Limited

## **Auditor**

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

## **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



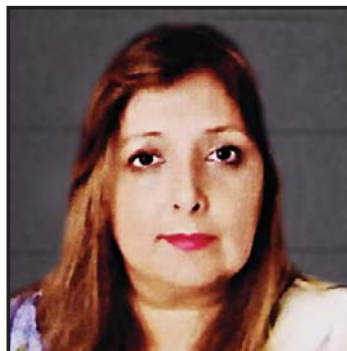
**Mr. Tauqeer Mazhar**  
Director



**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 seventh Annual Report for the period ended June 30, 2022, since launch of **NBP Islamic Active Allocation Equity Fund** on January 18, 2016.

### Fund's Performance

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 companies, which for the first three quarters of FY22 stood at 25% and, even after the imposition of super tax, is expected to deliver double digit growth. 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 international bond yields rose substantially during the period. To compress both external imbalances and 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 further 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.

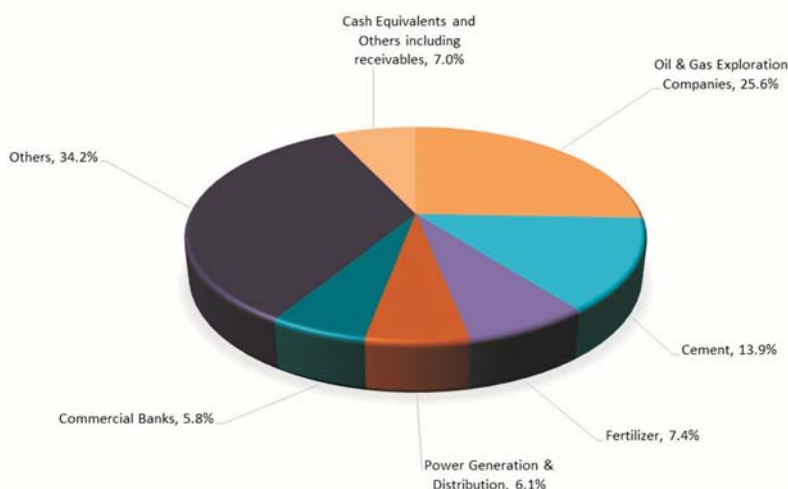
In terms of sector wise performance, Auto Assemblers, Chemicals, Commercial Banks, Fertilizers, Oil & Gas Exploration, and Power Generation & Distribution sectors outperformed the market. On the other hand, Auto Parts & Acc., Cable & Electrical Goods, Cements, Engineering, Food & Personal Care, Insurance,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

During the fiscal year, NBP Islamic Active Allocation Equity Fund decreased by 9.8% as against the KMI-30 index decreased by 10.3%, outperforming the benchmark by 0.5% during the year. NIAAEF outperformed during the year was because the Fund was overweight in key stocks in Chemical, Oil & Gas Exploration Companies, Glass & Ceramics, Technology & Communication and Commercial Banks sectors that outperformed the market and was underweight in key stocks in Food & Personal Care Products, Cement, Engineering, Refinery Oil & Gas Marketing Companies, and Cable & Electrical Goods Companies, sectors that underperformed the market. Since its inception on January 18, 2016, the return of NBP Islamic Active Allocation Equity Fund was increased by 39.4%, while the Benchmark increased by 31.7%. Thus, the Fund outperformed by 7.7% during the period. The performance of the Fund is net of management fee and all other expenses. The Fund size is 367 million as of June 30, 2022.

NAFA Islamic Active Allocation Equity Fund has incurred a loss of Rs. 13.58 million during the period. After incurring total expenses of Rs. 23.08 million, the net loss is Rs. 36.66 million. During the year, the unit price of NAFA Islamic Active Allocation Equity Fund has decreased from Rs. 11.4819 (Ex-Div) on June 30, 2021 to Rs. 10.3523 on June 30, 2022. The resultant per unit loss is Rs. 1.1296 (9.8%).



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



## Income Distribution

Due to net loss for the year, no distribution has been made.

## Taxation

On account of net loss, no provision for taxation was made in the financial statements of the Fund.

## Sindh Workers' Welfare Fund (SWWF)

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Islamic Active Allocation Equity Fund amounting to Rs. 36.13 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Active Allocation Equity Fund by 6.42% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

## Auditors

The present auditors, Messrs Grant Thornton Anjum Rahman, Chartered Accountant, retire 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. The attendance of all directors is disclosed in the note 28 to these financial statements.
11. The detailed pattern of unit holding is disclosed in the note 24 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 19 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
<b>Independent Directors</b>	1. Mr. Khalid Mansoor 2. Mr. Saad Amanullah Khan 3. Mr. Humayun Bashir
<b>Executive Director</b>	Dr. Amjad Waheed - Chief Executive Officer
<b>Non-Executive Directors</b>	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 NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کی ساتویں سالانہ رپورٹ برائے مختتمہ سال 30 جون 2022 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### فنڈ کی کارکردگی

مالی سال 22 اسٹاک مارکیٹ کے لیے ایک مایوس کن سال رہا، کیونکہ KMI-30 انڈیکس سالانہ بنیادوں پر تقریباً 10.3 فیصد گر گیا۔ یہ کی 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۔

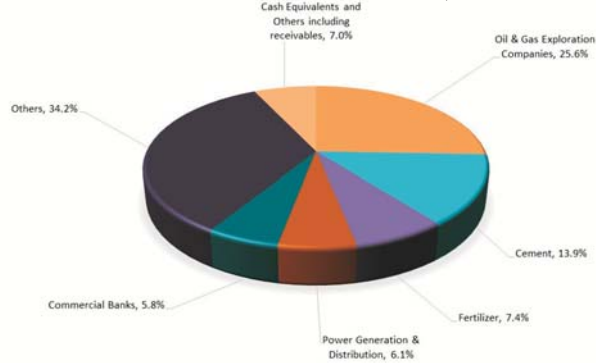
لچھ کمپنیوں کے مستحکم کارپوریٹ منافع کے باوجود ایکویٹی مارکیٹ کی کارکردگی ناقص رہی، جو کہ مالی سال 22 کی پہلی تین سہ ماہیوں میں 25 فیصد رہی اور سپر ٹیکس کے نفاذ کے بعد نمودار ہندسوں میں رہنے کی توقع ہے۔ سرمایہ کاروں کی توجہ بیرونی اعداد پر مرکوز رہی، خاص طور پر بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ (CAD) جو مالی 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 سپرائیکل نے بیرونی تجارتی اعداد کو مزید خراب کر دیا۔ مارکیٹ کے شرکاء اجناس کی افراط زور اور زیادہ قیمتوں کے اثرات سے بھی محتاط رہے، جو کہ مالی سال 22 میں اوسط تقریباً 12.2 فیصد سے جون 22 میں ماہانہ افراط زر 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 زر 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 روپیہ کی قدر میں بھی سال کے دوران 30% 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 تنزلی 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 ایکسییری، کیپیل اور الیکٹریکل سامان، سینٹ، انجینئرنگ، خوراک اینڈ ڈاٹا ٹیکنالوجی، انشورنس، آئل اینڈ گیس مارکیٹنگ، فارماسیوٹیکل، ریٹائری 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 پینک/DFIs نے اپنے خالص ہولڈنگز میں بالترتیب 157 ملین امریکی ڈالر اور 115 ملین امریکی ڈالر کا اضافہ کیا۔

مالی سال کے دوران، این پی اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ میں 9.8 فیصد کمی واقع ہوئی ہے جبکہ آئی ایم ایف 30 انڈیکس کے مقابلہ میں 10.3 فیصد کمی ہوئی، جو سال کے دوران ٹینج مارک کی 0.5 فیصد کمی بہتر کارکردگی ہے۔ NIAAEF نے سال کے دوران ایتر کارکردگی کا مظاہرہ کیا کیونکہ فنڈ نے سینٹ، انجینئرنگ، ٹیکسٹائل کمپوزٹ، کیپیل اور الیکٹریکل گڈز اور شیشے اور سیرامکس کے شعبوں میں اہم اسٹاک کو زیادہ اہمیت دی جنہوں نے مارکیٹ میں ایتر کارکردگی کا مظاہرہ کیا اور فریٹلائزر، آئل اینڈ گیس ایکسپلوریشن کمپنیوں، ٹیکنالوجی اور کمیونیکیشن، کمرشل بینک، اور ریٹائری کمپنیوں، وہ شعبے ہیں جنہوں نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا، ان کے اہم اسٹاک کو کم اہمیت دی گئی۔ اپنے آغاز (18 جنوری 2016) سے این پی اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کا منافع 39.4% تھا، جبکہ ٹینج مارک میں 31.7% کا اضافہ ہوا، لہذا فنڈ نے مدت کے دوران 7.7% کی بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور تمام اخراجات کے بعد خالص ہے۔ 30 جون 2022 کو فنڈ کا سائز 367 ملین روپے ہے۔

NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کو سال کے دوران 13.58 ملین روپے کا مجموعی نقصان ہوا۔ 23.58 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص نقصان 36.66 ملین روپے ہے۔ سال کے دوران NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 11.4819 روپے (EX-Div) سے کم ہو کر 30 جون 2022 کو 10.3523 روپے ہو گئی، جس کے نتیجے میں یونٹ نقصان 1.1296 روپے یعنی (9.84%) ہے۔ یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

30 جون 2022 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



## آمدنی کی تقسیم

سال کے خالص نقصان کی وجہ سے، کوئی تقسیم نہیں کی گئی ہے۔

## ٹیکسیشن

خالص نقصان کی وجہ سے، فنڈ کے مالی بیانات میں ٹیکس لگانے کا کوئی بندوبست نہیں کیا گیا ہے۔

## سندھ و کرز ویلفیئر فنڈ (SWWF)

13 اگست 2021 کو NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کی طرف سے سندھ و کرز ویلفیئر فنڈ کی پروپوزیشن کے بعد مر اسلہ نمبر SRB/TP/70/2013/8772 مورخہ 12 اگست 2021 کی رو سے سندھ ریونیو بورڈ کی طرف سے موصول کیلبر بیلنکیشن پر میوچل فنڈز ایسوسی ایشن آف پاکستان کو دی گئی 36.13 بلین روپے کی رقم واپس کر دی گئی۔ پروپوزیشن کی اس واپسی کے باعث 13 اگست 2021 کو NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کے NAV میں 6.42% کا غیر معمولی اضافہ ہوا ہے۔ یہ ایک ایسا موقع ہے جو کہ مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

## آڈیٹرز

موجودہ آڈیٹرز، میسرز گرانٹ تھارنٹن انچارجمنٹ اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اپریل 2023 کو ختم ہونے والے سال کے دوبارہ تفری کے لئے خود کو پیش کرتے ہیں۔

## لیٹل کمپنیز کے کوڈ آف کارپوریشن گورننس ریگولیشنز 2017 ("CCG") کی بیرونی میں ڈائریکٹرز اسٹیٹمنٹ

1. بیٹھنٹ کمیٹی 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 بیرونی کی گئی ہے۔ شریاتی 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 بیرونی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر 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 ٹیبیل / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ میں شامل ہیں۔
9. ٹیکسوں، ڈیویڈنڈ، محصولات اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
10. اس مدت کے دوران بیٹھنٹ کمیٹی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری ان مالیاتی گوشواروں کے نوٹ 28 میں ظاہر کی گئی ہے۔

- 11 یونٹ ہولڈنگ کا تفصیلی پیٹرن مالیاتی گوشواروں کے نوٹ 24 میں ظاہر کیا گیا 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 یونٹس کی تمام خرید و فروخت ان مالیاتی گوشواروں کے نوٹ 19 میں ظاہر کی گئی ہے۔
- 13 کمپنی اپنے بورڈ آف ڈائریکٹرز میں غیر جانبدار نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی ایک غیر فہرست شدہ کمپنی ہونے کے ناطہ کوئی منارٹی انٹریسٹ نہیں رکھتی۔ 30 جون 2022 کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں

نام	کیٹگری
•1 جناب خالد منصور •2 جناب سعد امان 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 مہناز سالار •4 جناب علی سیدگل •5 جناب عمران ظفر	نان ایگزیکٹو ڈائریکٹرز

## اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 ستمبر 2022ء

مقام: کراچی



## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Active Allocation Equity Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

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

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

Karachi, September 28, 2022

## FUND MANAGER REPORT

### NBP Islamic Active Allocation Equity Fund

Shariah Compliant - Open-end - Equity Fund

#### Investment Objective of the Fund

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shari'ah Compliant listed equities.

#### Benchmark

KMI-30 Index

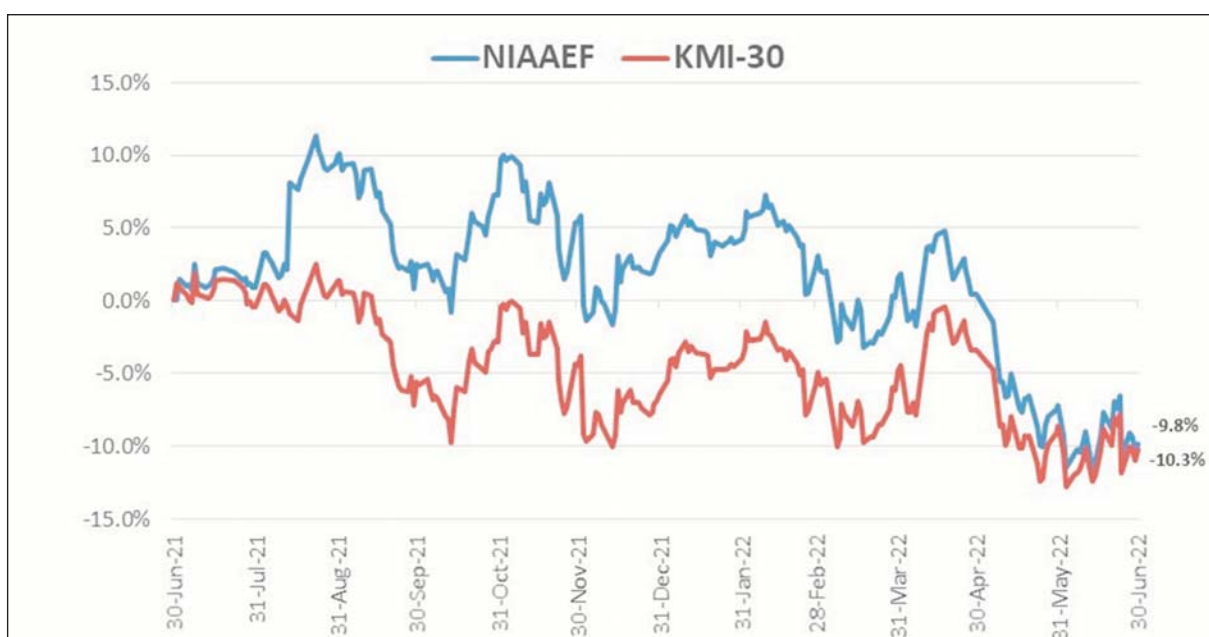
#### Fund Performance Review

This is the seventh annual report of the Fund. During the fiscal year, NBP Islamic Active Allocation Equity Fund decreased by 9.8% as against the KMI-30 index decreased by 10.3%, outperforming the benchmark by 0.5% during the year. Since its inception on Jan 18, 2016, the return of NBP Islamic Active Allocation Equity Fund was 39.4%, while the Benchmark increased by 31.7%. Thus, the Fund outperformed by 7.7% during the period. The performance of the Fund is net of management fee and all other expenses. The fund size of NBP Islamic Active Allocation Equity Fund is Rs.367 mln as of June 30, 2022.

NIAAEF outperformed during the year was because the Fund was overweight in key stocks in Chemical, Oil & Gas Exploration Companies, Glass & Ceramics, Technology & Communication and Commercial Banks sectors that outperformed the market and was underweight in key stocks in Food & Personal Care Products, Cement, Engineering, Refinery Oil & Gas Marketing Companies, and Cable & Electrical Goods Companies, sectors that underperformed the market.

The chart below shows the performance of NIAAEF against the Benchmark for the year.

**NIAAEF Performance vs. Benchmark during FY22**



# NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND



Since inception of the Fund, we altered the allocation of the Fund based on our view on the relative performance of different asset classes. At the end of the year, the allocation in equities was around 93.0%.

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 companies, which for the first three quarters of FY22 stood at 25% and, even after the imposition of super tax, is expected to deliver double digit growth. 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 international bond yields rose substantially during the period. To compress both external imbalances and 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 further 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.

## Asset Allocation of the Fund (% of NAV)

Particulars	30-Jun-22	30-Jun-21
Equities / Stocks	93.0%	98.6%
Cash Equivalents	8.3%	5.0%
Other Net Liabilities	(1.3%)	(3.6%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Distribution for the Financial Year 2022

Due to net loss for the year, no distribution has been made.

## Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
100001-500000	2
500001-1000000	2
1000001-5000000	8
5000001-10000000	2
<b>Total</b>	<b>14</b>

## 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)

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Islamic Active Allocation Equity Fund amounting to Rs. 36.13 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Active Allocation Equity Fund by 6.42% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

## STATEMENT OF COMPLIANCE WITH THE SHARI'AH PRINCIPLES

**NBP Islamic Active Allocation Equity 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 SHARI'AH SUPERVISORY BOARD

September 12, 2022/Safar 15, 1444

**Alhamdulillah**, the period from July 1, 2021 to June 30, 2022 was the Seventh year of operations of NBP Islamic Active Allocation Equity Fund (NIAAEF). This report is being issued in accordance with clause 3.7 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 NIAAEF in light of Shari'ah requirements. Following is a list of top investments of NIAAEF 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 & Gas Exploration Companies
Oil & Gas Development Company Limited *	Fertilizer	0.00%	21.69%	4.22%	27.26%	116.37	86.2
Engro Corporation Limited	Fertilizer	34.95%	20.92%	3.32%	57.41%	(220.62)	
Kohat Cement Limited	Cement	13.49%	2.46%	0.078%	89.78%	(49.98)	
Pakistan Petroleum Limited. *	Oil & Gas Exploration Companies	0.00%	16.70%	2.53%	26.13%	96.98	79.04
Hub Power Company Limited.	Power Generation & Distribution	33.91%	3.85%	4.50%	58.76%	(42.73)	
Systems Limited	Technology	6.82%	4.26%	0.79%	43.71%	30.29	759.84

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

- iii) There are investments made by NIAAEF 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 NIAAEF 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 862,783/- wherein amount available for disbursement is PKR 931,947 /-, which is inclusive of PKR 458,512 /- 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.

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

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**Mufti Muhammad Naveed Alam**  
Member  
Shariah Supervisory Board

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**Mufti Ehsan Waqar**  
Shariah Advisor & Member  
Shariah Supervisory Board

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**Dr. Imran Ashraf Usmani**  
Chairman  
Shariah Supervisory Board

## INDEPENDENT AUDITOR'S REPORT

To the Unit holders of NBP Islamic Active Allocation Equity Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of NBP Islamic Active Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and income statement, statement of comprehensive income, statement of movements in unit holder's fund, statement of cash flows 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 approved 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 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 is responsible for the other information. The other information comprises the information 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 or 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 and Board of Directors (the Board) for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan, and for such internal control as management 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, the management 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 the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is 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 Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of the 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 the Board 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.

We also provide to the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Further, we report that the Fund's financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

**Grant Thornton Anjum Rahman**  
Chartered Accountants

Karachi  
Date September 28, 2022

UDIN: AR2022101265tS6GJjkl

## STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2022

	Note	2022 -----Rupees in '000-----	2021
<b>ASSETS</b>			
Bank balances	4	30,449	28,948
Investments	5	340,947	571,886
Receivable against sale of investments		-	7,179
Dividend and profit receivable	6	110	435
Deposits, prepayments and other receivables	7	11,973	15,890
<b>Total assets</b>		<b>383,479</b>	<b>624,338</b>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	9	3,764	5,477
Payable to Central Depository Company of Pakistan Limited - the Trustee	10	78	113
Payable to the Securities and Exchange Commission of Pakistan	11	99	124
Payable against Purchase of investments		6,779	
Payable against redemption of units		3,905	420
Accrued expenses and other liabilities	12	2,344	37,998
<b>Total liabilities</b>		<b>16,969</b>	<b>44,132</b>
<b>NET ASSETS</b>		<b>366,510</b>	<b>580,206</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>366,510</b>	<b>580,206</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>	14	<b>35,403,559</b>	<b>50,532,331</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>10.3523</b>	<b>11.4819</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director



## INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		-----Rupees in '000-----	
<b>Income</b>			
Profit on bank deposits		936	2,871
Dividend income		30,725	23,827
Gain on sale of investments - net		83	79,929
Net unrealized diminution / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	(81,206)	137,266
		<u>(81,123)</u>	<u>217,195</u>
<b>Total (loss) / income</b>		<b>(49,462)</b>	<b>243,893</b>
<b>Expenses</b>			
Remuneration of NBP Fund Management Limited - the Management Company	9.1	8,302	9,302
Sindh sales tax on remuneration of the Management Company	9.2	1,079	1,209
Reimbursement of allocated expenses	9.4	974	827
Reimbursement of Selling and marketing expenses	9.5	9,272	11,220
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	10.1	994	1,240
Sindh sales tax on remuneration of the Trustee	10.2	129	161
Annual fees to the Securities and Exchange Commission of Pakistan	11.1	99	124
Auditors' remuneration	15	605	576
Amortization of preliminary expenses and floatation costs	8	-	110
Shariah advisor fee		78	76
Securities transaction cost		565	838
Settlement and bank charges		449	371
Legal and professional charges		403	185
Mutual fund rating fee		135	190
<b>Total operating expenses</b>		<b>23,084</b>	<b>26,429</b>
<b>Net (loss) / income from operating activities</b>		<b>(72,546)</b>	<b>217,464</b>
Reversal of provision against Sindh Workers' Welfare Fund	12.2	35,882	(4,349)
<b>Net (loss) / income for the year before taxation</b>		<b>(36,664)</b>	<b>213,115</b>
Taxation	17	-	-
<b>Net (loss) / income for the year after taxation</b>		<b>(36,664)</b>	<b>213,115</b>
<b>Earning / (loss) per unit</b>	18	-	-
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		-	213,115
Income already paid on units redeemed		-	(90,976)
		<u>-</u>	<u>122,139</u>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	123,290
- Excluding capital gains		-	(1,151)
		<u>-</u>	<u>122,139</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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

	2022	2021
	-----Rupees in '000-----	
<b>Net (loss) / income for the year after taxation</b>	<b>(36,664)</b>	213,115
Other comprehensive income for the year	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b><u>(36,664)</u></b>	<b><u>213,115</u></b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	----- Rupees in '000 -----					
Net assets at beginning of the year	674,360	(94,154)	580,206	859,763	(196,293)	663,470
Issue of 8,762,636 units (2021: 19,330,348 units)						
- Capital value (at ex - net asset value per unit)	100,612	-	100,612	169,676	-	169,676
- Element of income	1,101	-	1,101	42,228	-	42,228
Total proceeds on issuance of units	101,713	-	101,713	211,904	-	211,904
Redemption of 23,891,408 units (2021: 45,009,294 units)						
- Capital value (at ex - net asset value per unit)	(274,319)	-	(274,319)	(391,837)	-	(391,837)
- Element of (loss)	(4,426)	-	(4,426)	(71)	(90,976)	(91,047)
Total payments on redemption of units	(278,745)	-	(278,745)	(391,908)	(90,976)	(482,884)
Total comprehensive (loss) / income for the year	-	(36,664)	(36,664)	-	213,115	213,115
Interim cash distribution for the year ended June 30, 2021 @ Rs 0.5156 per unit (Date of declaration: 25-june-2021 )	-	-	-	(5,399)	(20,000)	(25,399)
<b>Net assets at end of the year</b>	<b>497,328</b>	<b>(130,818)</b>	<b>366,510</b>	<b>674,360</b>	<b>(94,154)</b>	<b>580,206</b>
Accumulated (loss) / income brought forward						
- Realized (loss)		(231,420)			(216,060)	
- Unrealized gain		137,266			19,767	
		(94,154)			(196,293)	
Accounting income available for distribution						
- Relating to capital gains		-			123,290	
- Excluding capital (loss)		-			(1,151)	
		-			122,139	
Total comprehensive (loss) / income for the year		(36,664)			213,115	
Distribution during the year						
Interim cash distribution for the year ended June 30, 2021 @ Rs 0.5156 per unit (Date of declaration: 25-june-2021 )					(20,000)	
Accumulated loss carried forward		(130,818)			(94,154)	
Accumulated loss carried forward						
- Realized loss		(49,612)			(231,420)	
- Unrealized (loss) / income		(81,206)			137,266	
		(130,818)			(94,154)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			11.4819			8.7057
Net assets value per unit at end of the year			10.3523			11.4819

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year before taxation	(36,664)	213,115
<b>Adjustments for:</b>		
Profit on bank deposits	(936)	(2,871)
Provision against Sindh Workers' Welfare Fund	12.2 (35,882)	4,349
Amortization of preliminary expenses and floatation costs	8 -	110
Dividend income	(30,725)	(23,827)
Net unrealized diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2 81,206	(137,266)
	13,663	(159,505)
<b>Decrease / (increase) in assets</b>		
Investments	149,733	209,298
Receivable against sale of investments	7,179	7,436
Deposits, prepayments and other receivables	3,917	(4,159)
	160,829	212,575
<b>(Decrease) / Increase in liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	(1,713)	439
Payable to Central Depository Company of Pakistan Limited - the Trustee	(35)	(16)
Payable to the Securities and Exchange Commission of Pakistan	(25)	(78)
Payable against Purchase of investments	6,779	
Accrued expenses and other liabilities	229	(1,336)
	5,235	(991)
	143,063	265,194
Dividend received	30,863	23,689
Profit received on bank deposit	1,123	2,808
<b>Net cash generated from operating activities</b>	<b>175,049</b>	<b>291,691</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units - net of refund of element	101,713	206,505
Net payments against redemption of units	(275,260)	(495,571)
Dividend paid	-	(20,000)
<b>Net cash used in financing activities</b>	<b>(173,547)</b>	<b>(309,066)</b>
	1,501	(17,375)
<b>Net increase / (decrease) in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	28,948	46,323
<b>Cash and cash equivalents at the end of the year</b>	<b>4 30,449</b>	<b>28,948</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

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

NBP Islamic Active Allocation Equity Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 02, 2015 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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

The Fund has been categorized as an open ended 'Shariah compliant equity scheme' by the board of directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan.

The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio of Shariah Compliant listed equity securities. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has maintained an asset manager rating of 'AM1' as on 30 June 2022 (2021: AM1) to the Management Company and performance ranking "5 Star" to the Fund on August 10 2022 August 6, 2021: "4 Star").

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to 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 October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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 Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) 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 NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the trust deed have been followed.

## 2.2 Basis of Measurement

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest thousands of Rupee, unless otherwise indicated.

## 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

## 3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

### 3.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>New or Revised Standard or Interpretation</b>	<b>Effective Date "(Annual periods beginning on or after)"</b>
Annual improvements to IFRS standards 2018 - 2020 Cycle	January 1, 2022
IFRS 3 - References to Conceptual Framework	January 1, 2022
IAS 16 - Proceeds before intended use	January 1, 2022
IAS 37 - Onerous Contracts - Cost of Fulfilling a contract	January 1, 2022
IFRS 16 - Covid-19-Related Rent Concessions beyond June 30, 2021	April 1, 2021

### **Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

<b>Standard or Interpretation</b>	<b>Effective Date "(Annual periods beginning on or after)"</b>
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

## Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective Date "(Annual periods beginning on or after)"
IFRS 17 'Insurance Contracts' and amendments to IFRS 17	January 1, 2023

## 3.2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements as set out below.

### 3.2.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### 3.2.2 Financial assets and liabilities

#### 3.2.2.1 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.

## 3.3 Classification and measurement

### 3.3.1 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 FVTOCI).

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 FVTOCI 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

Following three business models are defined under the IFRS 9:

- 1) Hold to collect business model.
- 2) Hold to collect and sell business model.
- 3) FVTPL business model.

Considering above, the Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

### 3.3.2 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").

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.

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. The entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The adoption of IFRS 9 does not have any impact on the Fund's accounting policies related to financial liabilities.

### 3.4 Impairment of financial assets

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortized cost and FVOCI. The Fund recognizes loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### 3.5 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

#### Basis of valuation of equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of assets and liabilities at fair value, with gains and losses recognized in the income statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognized in the income statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the income statement.

### 3.6 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.

### 3.7 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.

### 3.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.9 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.

### 3.10 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. Sales load collected, if any, is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### 3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) included in prices of units sold less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.12 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.13 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealized gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on bank balances is recognized on an accrual basis.
- Dividend income is recognized when the right to receive the dividend is established.

### 3.14 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.

### 3.15 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is 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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

### 3.16 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.17 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

### 3.18 (Loss) / Earnings per unit

(Loss) / Earnings per unit is calculated by dividing the net income / (loss) for the year before taxation of the Fund by the weighted average number of units outstanding during the year. (Loss) / Earnings has not been disclosed as in the opinion of the management, determination of weighted average units for calculating earnings/(loss) is not practicable.

### 3.19 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4	BANK BALANCES	Note	2022 Rupees in '000	2021
	Balances with banks in:			
	-Savings accounts	4.1	30,449	28,948

4.1 As at 30 June 2022, These include a balance of Rs 29.8 million (2021: Rs 17.45 million) maintained with Bank Islami Pakistan Limited (a related party) that carries profit at the rate of 15.25% per annum (2021: 7% per annum). Other profit and loss sharing accounts of the Fund carry profit rates ranging from 6.5% to 15.25% per annum (2021: 6.25% to 6.77% per annum).

5 INVESTMENTS	Note	2022	2021
		Rupees in '000	
<b>At fair value through profit or loss</b>			
Quoted equity securities	5.1	<b>340,947</b>	<b>571,886</b>

## 5.1 Investments in equity securities - listed

Name of the investee company	As at July 01, 2021	Acquired during the year	Sold during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of Paid up capital of the investee company
<b>AUTOMOBILE ASSEMBLER</b>								
Honda Atlas Car Limited	8,300	3,500	11,800	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	9,563	4,602	9,150	5,015	4,376	1.28%	1.19%	0.01%
					4,376	1.28%	1.19%	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>								
Panther Tyres Limited	71,036	38,207	-	109,243	3,539	1.04%	0.97%	0.07%
Thal Limited*	16,300	-	16,300	-	-	0.00%	0.00%	0.00%
					3,539	1.04%	0.97%	
<b>CEMENT</b>								
Cherat Cement Company Limited	-	700	700	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	428,500	139,500	307,500	260,500	3,691	1.08%	1.01%	0.01%
Kohat Cement Company Limited	175,530	23,500	13,800	185,230	24,104	7.07%	6.58%	0.09%
Lucky Cement Limited [note 5.1.1]	65,800	1,100	20,350	46,550	21,368	6.27%	5.83%	0.01%
Maple Leaf Cement Factory Limited	156,250	3,500	159,749	1	-	0.00%	0.00%	0.00%
Attock Cement Pakistan Limited	-	25,200	-	25,200	1,676	0.49%	0.46%	0.02%
					50,839	14.91%	13.88%	
<b>CHEMICAL</b>								
Engro Polymer & Chemicals Limited	426,416	52,000	359,900	118,516	9,437	2.77%	2.57%	0.01%
Lotte Chemical Pakistan Limited	189,500	168,000	357,500	-	-	0.00%	0.00%	0.00%
ICI Pakistan Limited	8,100	-	4,800	3,300	2,391	0.70%	0.65%	0.00%
Descon Oxychem Limited	-	143,000	-	143,000	2,245	3.47%	0.61%	0.08%
					14,074	6.94%	3.83%	
<b>COMMERCIAL BANKS</b>								
Meezan Bank Limited	258,042	61,271	130,100	189,213	21,377	6.27%	5.83%	0.01%
					21,377	6.27%	5.83%	
<b>ENGINEERING</b>								
Agha steel limited	45,500	-	45,500	-	-	0.00%	0.00%	0.00%
International Industries Limited	10,000	-	10,000	-	-	0.00%	0.00%	0.00%
International Steels Limited**	6,700	1,300	8,000	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited	170,240	51,526	14,800	206,966	11,930	3.50%	3.25%	0.06%
Aisha Steel Mills Limited	-	68,500	45,000	23,500	260	0.08%	0.07%	0.00%
					12,189	3.58%	3.32%	
<b>FERTILIZER</b>								
Engro Corporation Limited [note 5.1.1]	125,090	4,800	31,700	98,190	25,244	7.40%	6.89%	0.02%
Fauji Fertilizer Bin Qasim Limited	-	120,500	19,500	101,000	2,044	0.60%	0.56%	0.01%
					27,288	8.00%	7.45%	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>								
Al Shaheer Corporation Limited [note 5.1.2]	83,247	-	73,958	9,289	84	0.02%	0.02%	0.00%
AT Tahir Limited	263,250	195,090	253,500	204,840	3,906	1.15%	1.07%	0.10%
Unity Foods Limited	11,000	-	11,000	-	-	0.00%	0.00%	0.02%
Bunny's Limited	-	82,000	-	82,000	1,750	0.51%	0.48%	0.00%
Shezan International Limited	-	22,550	-	22,550	3,834	1.12%	1.05%	0.85%
					9,574	2.80%	2.62%	

# NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND

Name of the investee company	As at July 01, 2021	Acquired during the year	Sold during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of Paid up capital of the investee company
	Number of shares held				Rupees in '000	Percentage		
<b>GLASS &amp; CERAMICS</b>								
Ghani Global Glass Limited	154,200	-	154,200	-	-	0.00%	0.00%	0.00%
Shabir Tiles Limited	240,000	147,500	19,500	368,000	5,384	1.58%	1.47%	0.15%
Tariq Glass Industries Limited	117,563	3,300	78,900	41,963	4,356	1.28%	1.19%	0.03%
					9,740	2.86%	2.66%	
<b>OIL AND GAS EXPLORATION COMPANIES</b>								
Mari Petroleum Company Limited	28,017	1,500	11,920	17,597	30,614	8.98%	8.35%	0.01%
Oil & Gas Development Co. Limited [note 5.1.1]	358,300	44,800	57,600	345,500	27,180	7.97%	7.42%	0.01%
Pakistan Oilfields Limited [note 5.1.1]	43,720	4,100	17,800	30,020	12,182	3.57%	3.32%	0.01%
Pakistan Petroleum Limited [note 5.1.1]	430,980	13,000	91,600	352,380	23,789	6.98%	6.49%	0.01%
					93,766	27.50%	25.58%	
<b>OIL &amp; GAS MARKETING COMPANIES</b>								
Attock Petroleum Limited	6,850	5,400	2,300	9,950	3,197	0.94%	0.87%	0.01%
Pakistan State Oil Company Limited [note 5.1.1 & 5.1.2]	88,598	7,000	21,700	73,898	12,699	3.72%	3.46%	0.02%
Sui Northern Gas Pipelines Limited	30,400	-	30,400	-	-	0.00%	0.00%	0.00%
					15,896	4.66%	4.33%	
<b>PAPER &amp; BOARD</b>								
Cherat Packaging Limited	1	-	-	1	0	0.00%	0.00%	0.00%
Packages Limited	2,200	-	2,200	-	-	0.00%	0.00%	0.00%
Roshan Packages Limited	115,500	-	-	115,500	1,716	0.50%	0.47%	0.08%
					1,716	0.50%	0.47%	
<b>PHARMACEUTICALS</b>								
AGP Limited	41,500	3,000	41,800	2,700	237	0.07%	0.06%	0.00%
Glaxosmithkline Pakistan Limited	24,100	-	24,100	-	-	0.00%	0.00%	0.00%
Highnoon laboratories Limited	1,980	2,233	-	4,213	2,232	0.65%	0.61%	0.01%
IBL Health Care Limited	17,500	31,880	16,100	33,280	1,730	0.51%	0.47%	0.05%
The Searle Company Limited [note 5.1.2]	54,864	16,009	30,800	40,073	4,369	1.28%	1.19%	0.01%
Abbot Laboratories (Pakistan) Limited	-	1,200	800	400	262	0.08%	0.07%	0.00%
Citi Pharma Limited	-	99,053	73,000	26,053	850	0.25%	0.23%	0.01%
Glaxosmithkline Consumer Health care Pakistan Limited	-	7,900	-	7,900	1,883	0.55%	0.51%	0.01%
					11,563	3.39%	3.14%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>								
Hub Power Company Limited** [note 5.1.1]	432,690	-	102,200	330,490	22,530	6.61%	6.15%	0.03%
					22,530	6.61%	6.15%	
<b>SUGAR AND ALLIED INDUSTRIES</b>								
Faran Sugar Mills Limited	29,000	-	29,000	-	-	0.00%	0.00%	0.00%
					-	0.00%	0.00%	
<b>TECHNOLOGY &amp; COMMUNICATION</b>								
Systems Limited	48,865	41,365	25,400	64,830	21,385	6.27%	5.83%	0.02%
Octopus Digital Limited	-	40,664	40,664	-	-	0.00%	0.00%	0.00%
					21,385	6.27%	5.83%	
<b>TEXTILE COMPOSITE</b>								
Kohinoor Textile Mills Limited [note 5.1.2]	149,157	44,500	-	193,657	9,683	2.84%	2.64%	0.06%
Nishat Mills Limited [note 5.1.1]	162,100	5,000	81,819	85,281	6,303	1.85%	1.72%	0.02%
Interloop Limited	129,629	3,889	74,524	58,994	3,599	1.06%	0.62%	0.01%
					3,599	1.06%	4.98%	
<b>CABLE &amp; ELECTRICAL GOODS</b>								
Pakistan Elektron Limited		23,500	23,500	-	-	0.00%	0.00%	0.00%

# NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND



Name of the investee company	As at July 01, 2021	Acquired during the year	Sold during the year	As at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of Paid up capital of the investee company
	----- Number of shares held -----				Rupees in '000	----- Percentage -----		
<b>TRANSPORT</b>								
Pakistan National Shipping Corporation	17,000	-	17,000	-	-	0.00%	0.00%	0.00%
Pakistan International Bulk Limited	-	240,000	-	240,000	1,445	0.42%	249.01%	0.01%
					1,445	0.42%	249.01%	
<b>MISCELLANEOUS</b>								
Synthetic Products Limited [note 5.1.2]	4,330	346	-	4,676	66	0.02%	0.01%	0.00%
Pakistan Aluminium	-	58,189	58,189	-	-	0.00%	0.00%	0.00%
Tri-Pack Films Limited	-	39,400	39,400	-	-	0.00%	0.00%	0.00%
					66	0.02%	0.01%	
<b>Total</b>					<b>340,947</b>	<b>100%</b>	<b>100%</b>	
<b>Carrying value as June 30, 2022</b>					<b>422,153</b>			
<b>Market value as at June 30, 2021</b>					<b>571,886</b>			
<b>Carrying value as June 30, 2021</b>					<b>434,620</b>			

- 5.1.1 Investments include shares with market value of Rs 80.98 million (2021: 97.38 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of the company	2022		2021	
	-----Pledge shares-----			
	Number of shares	Market value as at June 30, 2022	Number of shares	Market value as at June 30, 2021
		Rupees in '000		Rupees in '000
Fauji cement company limited	50,000	709	-	-
Lucky cement limited	10,000	4,590	10,000	8,634
Engro corporation limited	80,000	20,567	100,000	29,461
Fauji fertilizer bin qasim limited	10,000	202	-	-
Oil & gas development company limited	100,000	7,867	100,000	9,503
Pakistan oilfields limited	25,000	10,145	30,000	11,816
Pakistan petroleum limited	239,000	16,135	200,000	17,366
Pakistan state oil company limited	20,000	3,437	-	-
The hub power company limited	200,000	13,634	200,000	15,934
Nishat mills limited	50,000	3,696	50,000	4,665
<b>TOTAL</b>		<b>80,982</b>		<b>97,379</b>

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



In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Sindh High Court, 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 Sindh High Court (SHC) 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 did not deposit the minimum 50% of the tax liability, as they did not have such tax in their book and accordingly the stay got vacated automatically during the year ended June 30, 2019. In 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the Sindh High Court. In this regard, on July 15, 2019, the Sindh High Court has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 which required every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year ended 30 June 2022 were not withheld by the investee companies.

As at June 30, 2022, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the company	2022		2021	
	-----Bonus shares-----			
	Number of shares withheld	Market value as at June 30, 2022	Number of shares withheld	Market value as at June 30, 2021
	Rupees in '000	Rupees in '000		Rupees in '000
Al Shaheer Corporation Limited	9,289	83	9,289	185
Kohinoor Textile Mills Limited	522	26	522	39
Pakistan State Oil Company Limited	3,301	567	3,301	740
The Searle Company Limited	1,354	147	1,354	329
Synthetic Products Limited	4,676	66	4,330	186
		<u>889</u>		<u>1,479</u>

		2022	2021
	Note-----	Rupees in '000-----	
<b>5.2</b>	<b>Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'</b>		
Market value of investments	5.1	340,947	571,886
Carrying value of investments	5.1	(422,153)	(434,620)
		<u>(81,206)</u>	<u>137,266</u>
<b>6</b>	<b>DIVIDEND AND PROFIT RECEIVABLE</b>		
Profit accrued on bank balances	6.1	110	297
Dividend receivable		-	138
		<u>110</u>	<u>435</u>

		2022	2021
	Note	-----Rupees in '000-----	
<b>7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Security deposit with Central Depository Company of Pakistan Limited*		100	100
Security deposit with National Clearing Company of Pakistan Limited*		2,500	2,500
Advance tax	7.1	9,292	9,009
Prepaid mutual fund rating fee		81	67
Other receivables		-	4,214
		<u>11,973</u>	<u>15,890</u>

\* related party balance

- 7.1 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 151 and 150. However, withholding tax on dividend 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 May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends amounts to Rs 9.292 million (2021: Rs 9.009 million).

For this purpose, 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 Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as Advance Tax as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		2022	2021
	Note	-----Rupees in '000-----	
<b>8 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
At the beginning of the year	8.1	-	110
Less: amortization during the year		-	(110)
At the end of the year		<u>-</u>	<u>-</u>

- 8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are amortized over a period of 5 years in accordance with the requirements set out in the trust deed.

		2022	2021
	Note	-----Rupees in '000-----	
<b>9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY - RELATED PARTY</b>			
Management fee payable	9.1	580	756
Sindh sales tax payable on remuneration of the Management Company	9.2	75	98
Federal Excise Duty payable on remuneration of the Management Company	9.3	1,420	1,420
Reimbursement of allocated expenses payable	9.4	193	223
Reimbursement of selling and marketing expenses payable	9.5	1,496	2,980
		<u>3,764</u>	<u>5,477</u>

- 9.1 As per regulation 60 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration under the following rates:

Effective dates	Applicable Rates
From July 1, 2021 to Feb 1, 2022	1.5% per anum of average daily net assets
From Feb 2, 2022 to June 30, 2022	2% per anum of average daily net assets

The remuneration is payable to the Management Company in arrears.

- 9.2** During the year, an amount of Rs 1.079 million (2021: Rs 1.206 million) was charged on account of sales tax on management fee levied through the Sindh sales tax on services Act, 2011 @ 13% (2021: 13%).
- 9.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from January 18, 2016 till June 30, 2016 amounting to Rs 1.42 million (2021: Rs 1.42 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2022 would have been higher by Re 0.0401 per unit (2021: Re 0.0281 per unit).

- 9.4** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has fixed following maximum capping from of the scheme for allocation of such expenses to the Fund.

Effective dates	Applicable Rates
From July 1, 2021 to Feb 1, 2022	1.5% per annum of average daily net assets
From Feb 2, 2022 to June 30, 2022	2% per annum of average daily net assets

- 9.5** The Management Company based on its own discretion has charged selling and marketing expenses at the below mentioned rates duly approved by the Board of Directors of the Management Company.

Effective dates	Applicable Rates
From July 1, 2021 to Sept 19, 2021	2% per annum of average daily net assets
From Sept 20, 2021 to Feb 1, 2022	2.05% per annum of average daily net assets
From Feb 2, 2022 to June 30, 2022	1.55% per annum of average daily net assets

**10 PAYABLE TO CENTRAL DEPOSITORY COMPANY LIMITED  
- THE TRUSTEE - RELATED PARTY**

	Note	2022	2021
-----Rupees in '000-----			
Trustee fee payable	10.1	57	100
Sindh sales tax payable on trustee fee	10.2	21	13
		<u>78</u>	<u>113</u>

**10.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

**On net assets:**

- up to Rs 1 billion 0.20% per annum of net assets
- on an amount exceeding Rs 1 billion Rs 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rs 1 billion.

**10.2** During the year, an amount of Rs 0.129 million (2021: Rs 0.161 million) was charged on account of sales tax on remuneration of the trustee levied through the Sindh sales tax on Services Act, 2011 @ 13% (2021: 13%).

**11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

**2022**      **2021**  
**Note -----Rupees in '000-----**

Annual fee payable	<b>11.1</b>	<b>99</b>	<b>124</b>
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**11.1** The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets (June 30, 2021: 0.02% per annum of the average annual net assets) during the current year.

**12 ACCRUED EXPENSES AND OTHER LIABILITIES**

**2022**      **2021**  
**Note -----Rupees in '000-----**

Auditors' remuneration payable		<b>452</b>	394
Brokerage payable		<b>50</b>	99
Charity payable	<b>12.1</b>	<b>1,473</b>	1,400
Legal and professional charges payable		<b>175</b>	83
Shariah advisor fee payable		<b>76</b>	77
Withholding tax payable		<b>38</b>	30
Provision against Sindh Workers' Welfare Fund	<b>12.2</b>	<b>-</b>	35,882
Settlement charges payable		<b>51</b>	29
Bank charges payable		<b>29</b>	4
		<b>2,344</b>	<b>37,998</b>

**12.1** According to the instructions of the Shariah advisors, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the year ended June 30, 2022, non Shari'ah compliant income amounting to Rs 0.863 million (June 30, 2021: Rs 0.929 million) was determined by the management. This will be distributed as charity after the approval of the Shariah Advisor. The dividend income is recorded net of amount given as charity.

**12.2** During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by NBP Islamic Active Allocation Equity Fund amounting to Rs. 36.13 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP Islamic Active Allocation Equity Fund by 6.42% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

	2022	2021
<b>14 NUMBER OF UNITS IN ISSUE</b>	<b>Number of Units</b>	
Total units in issue at the beginning of the year	<b>50,532,331</b>	76,211,277
Units issued during the year	<b>8,762,636</b>	19,330,348
Less: units redeemed during the year	<b>23,891,408</b>	45,009,294
Total units in issue at the end of the year	<b><u>35,403,559</u></b>	<u>50,532,331</u>
<b>15 AUDITORS' REMUNERATION</b>	<b>----- Rupees in '000 -----</b>	
Annual audit fee	<b>335</b>	313
Half yearly review fee	<b>145</b>	135
Out of pocket expenses	<b>126</b>	128
	<b><u>605</u></b>	<u>576</u>
<b>16 TOTAL EXPENSE RATIO</b>		
<p>The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 4.65% (2021: 4.97%) which includes 0.26% (2021: 0.94%) representing government levies on the Fund such as sales taxes, annual fee to SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.</p>		
<b>17 TAXATION</b>		
<p>The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Fund incurred a net loss for the year ended June 30, 2022, therefore no distribution has been made and no provision for taxation has been made in these financial statements during the year.</p>		
<b>18 (LOSS) / EARNINGS PER UNIT</b>		
<p>Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.</p>		
<b>19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS</b>		
<b>19.1</b>	<p>Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP), Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.</p>	
<b>19.2</b>	<p>Transactions with connected persons / related parties are executed on an arm's length basis and essentially comprise sale and redemption of units, profit on saving fund, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.</p>	
<b>19.3</b>	<p>Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.</p>	

- 19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 19.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 19.6** Details of transactions with related parties / connected persons are as follows:

	2022	2021
	----- Rupees in '000 -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration for the year	8,302	9,302
Sindh sales tax on remuneration of the Management Company	1,079	1,209
Reimbursement of allocated expenses	974	827
Reimbursement of selling and marketing charges	9,272	11,220
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration of the Trustee	994	1,240
Sindh sales tax on remuneration of the Trustee	129	161
Settlement charges	-	332
<b>NAFA Islamic Active Allocation Fund I (Plan I)</b>		
Units issued - 413,080 (2021: 296,764)	5,072	3,260
Units redeemed - 478,255 (2021: 677,383)	5,585	6,873
Distribution paid	-	533
<b>NAFA Islamic Active Allocation Fund I (Plan II)</b>		
Units issued - 352,651 (2021: 500,791)	4,321	5,517
Units redeemed - 956,194 (2021: 819,137)	10,763	8,093
Distribution paid	-	712
<b>NAFA Islamic Active Allocation Fund I (Plan III)</b>		
Units issued - 907,203 (2021: 2,342,886)	10,919	25,557
Units redeemed - 3,713,167 (2021: 4,108,084)	44,000	41,698
Distribution paid	-	4,257
<b>NAFA Islamic Active Allocation Fund I (Plan IV)</b>		
Units issued - 683,580 (2021: 2,104,204)	8,101	23,158
Units redeemed - 1,626,170 (2021: 4,773,342)	19,600	48,712
Distribution paid	-	4,194
<b>NAFA Islamic Active Allocation Fund I (Plan V)</b>		
Units issued - 128,585 (2021: 897,900)	1,505	10,121
Units redeemed - 1,902,048 (2021: 7,365,637)	22,695	79,167
Distribution paid	-	2,491
<b>NAFA Islamic Active Allocation Fund II (Plan VI)</b>		
Units issued - 87,730 (2021: 1,511,302)	1,025	16,374
Units redeemed - 2,707,512 (2021: 10,821,847)	32,221	122,566
Distribution paid	-	1,224
<b>NAFA Islamic Active Allocation Fund II (Plan VII)</b>		
Units issued - 126,529 (2021: 471,178)	1,502	5,270
Units redeemed - 404,837 (2021: 1,697,152)	4,742	17,806
Distribution paid	-	855



# NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND



	2022	2021
	----- Rupees in '000 -----	
<b>NAFA Islamic Active Allocation Fund II (Plan VIII)</b>		
Units issued - 29,359 (2021: 897,866)	350	9,948
Units redeemed - 1,184,181 (2021: 7,598,271)	14,053	79,077
Distribution paid	-	1,736
<b>NAFA Islamic Capital Preservation Plan I</b>		
Units issued - 490,683 (2021: 2,694,634)	5,800	26,298
Units redeemed - 3,797,738 (2021: 2,922,310)	43,056	32,500
Distribution paid	-	2,508
<b>NAFA Islamic Capital Preservation Plan II</b>		
Units issued - 133,010 (2021: 4,012,679)	1,600	41,650
Units redeemed - 3,096,758 (2021: 2,557,273)	35,582	28,425
Distribution paid	-	998
<b>NAFA Islamic Capital Preservation Plan III</b>		
Units issued - 1,531,095 (2020: 2,437,512)	18,620	26,128
Units redeemed - 2,527,605 (2021: 1,220,011)	29,241	13,541
Distribution paid	-	424
<b>NAFA Islamic Capital Preservation Plan IV</b>		
Units issued - 846,368 (2020: 711,424)	10,379	8,070
Units redeemed - 953,074 (2020: 215,816)	10,829	2,238
Distribution paid	-	46
<b>NBP Islamic Capital Preservation Plan V</b>		
Units issued - 617,841 (2020: 415,209)	7,519	5,156
Units redeemed - 543,870 (2020: 233,032)	6,378	2,188
Distribution paid	-	23
<b>NBP Islamic Capital Preservation Plan VI</b>		
Units issued - 2,414,922 (2021: Nil)	25,000	-
Units redeemed - Nil (2021: Nil)	-	-
<b>BankIslami Pakistan Limited - common directorship</b>		
Profit income	833	1,682
<b>Taurus Securities Limited - subsidiary of parent company</b>		
Brokerage expense	35	46
<b>International Steels Limited - common directorship</b>		
Shares purchased - 1,300 (2021: 6,700)***	132	561
Shares sold - 8,000 (2021: 81,100)***	611	5,605
Dividend income	-	-
<b>National Clearing Company of Pakistan Limited - common directorship</b>		
NCCPL charges	500	742
<b>Hub Power Company Limited - common directorship*</b>		
Shares purchased - Nil (2021: 49,500)*	-	4,212
Shares sold - Nil (2021: 169,500)*	-	14,592
Dividend income	-	3,493



# NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND



	2022	2021
	----- Rupees in '000 -----	
<b>19.7 Amounts / balances outstanding as at year end</b>		
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration payable to the Management Company	580	756
Sindh sales tax on remuneration of the Management Company	75	98
Federal Excise Duty on remuneration of the Management Company	1,420	1,420
Reimbursement of selling and marketing expense	1,496	2,980
Reimbursement of allocated expenses	193	223
<b>NAFA Islamic Active Allocation Fund I (Plan I)</b>		
Units held - 1,194,317 (2021: 1,259,492)	12,364	14,461
<b>NAFA Islamic Active Allocation Fund I (Plan II)</b>		
Units held - 1,163,658 (2021: 1,767,201)	12,047	20,291
<b>NAFA Islamic Active Allocation Fund I (Plan III)</b>		
Units held - 7,172,209 (2021: 9,978,173)	74,249	114,568
<b>NAFA Islamic Active Allocation Fund I (Plan IV)</b>		
Units held - 8,807,365 (2021: 9,749,954)	91,176	111,948
<b>NAFA Islamic Active Allocation Fund I (Plan V)</b>		
Units held - 3,827,749 (2021: 5,601,212)	39,626	64,313
<b>NAFA Islamic Active Allocation Fund II (Plan VI)</b>		
Units held - 821,755 (2021: 3,441,537)	8,507	39,515
<b>NAFA Islamic Active Allocation Fund II (Plan VII)</b>		
Units held - 1,649,250 (2021: 1,927,557)	17,074	22,132
<b>NAFA Islamic Active Allocation Fund II (Plan VIII)</b>		
Units held - 2,922,452 (2021: 4,077,274)	30,254	46,815
<b>NAFA Islamic Capital Preservation Plan I</b>		
Units held - 2,321,167 (2021: 5,628,222)	24,029	64,623
<b>NAFA Islamic Capital Preservation Plan II</b>		
Units held - 995,325 (2021: 3,959,073)	10,304	45,458
<b>NAFA Islamic Capital Preservation Plan III</b>		
Units held - 1,151,421 (2021: 2,147,932)	11,920	24,662
<b>NAFA Islamic Capital Preservation Plan IV</b>		
Units held - 480,577 (2021: 587,282)	4,975	6,743
Payable against redemption of units	-	420
<b>NBP Islamic Capital Preservation Plan V</b>		
Units held - 481,393 (2021: 407,422)	4,984	4,678
<b>NBP Islamic Capital Preservation Plan VI</b>		
Units held - 2,414,922 (2021: Nil)	25,000	-

	2022	2021
	----- Rupees in '000 -----	
<b>Central Depository Company of Pakistan Limited - the trustee</b>		
Trustee fee payable	57	100
Settlement charges payable	51	29
Sindh sales tax payable on remuneration of the Trustee	21	13
Security deposit	100	100
<b>BankIslami Pakistan Limited - common directorship</b>		
Bank balances	29,800	17,455
Profit receivable	101	133
<b>Taurus Securities Limited - subsidiary of parent company</b>		
Brokerage payable	-	9
<b>International Steels Limited - common directorship</b>		
Units held - Nill (2021: 6700)	-	626
<b>National Clearing Company of Pakistan Limited - common directorship</b>		
Security Deposit	2,500	2,500
NCCPL charges payable	27	29
<b>Hub Power Company Limited - common directorship*</b>		
Shares held - Nil (2021: 432,690)*	-	34,472

\* Current year figure has not been presented as the person has ceased to be a related party / connected person of the Fund as at June 30, 2022.

\*\* Prior year comparative has not been presented as the person was not a related party / connected person of the Fund as at June 30, 2021.

\*\*\* These are transactions involving shares of related parties held as part of portfolio of the Fund.

19.8 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

	At amortized cost	At fair value through profit or loss	Total
	-----Rupees in '000-----		
<b>As At June 30, 2022</b>			
<b>Financial assets</b>			
Bank balances	30,449	-	30,449
Investments	-	340,947	340,947
Receivable against sale of investments	-	-	-
Dividend and profit receivable	110	-	110
Deposits and other receivables	2,600	-	2,600
	<u>33,159</u>	<u>340,947</u>	<u>374,106</u>
<b>Financial liabilities</b>			
Payable to NBP Fund Management Limited - the Management Company	-	3,764	3,764
Payable to Central Depository Company of Pakistan - the Trustee	-	78	78
Payable against redemption of units	-	3,905	3,905
Accrued expenses and other liabilities	-	2,306	2,306
	<u>-</u>	<u>10,053</u>	<u>10,053</u>

	At amortized cost	At fair value through profit or loss	Total
-----Rupees in '000-----			
As At June 30, 2021			
<b>Financial assets</b>			
Bank balances	28,948	-	28,948
Investments	-	571,886	571,886
Dividend and profit receivable	7,179	-	7,179
Receivable against sale of units	435	-	435
Deposits and other receivables	6,814	-	6,814
	<u>43,376</u>	<u>571,886</u>	<u>615,262</u>
<b>Financial liabilities</b>			
Payable to NBP Fund Management Limited - the Management company	-	5,477	5,477
Payable to Central Depository Company of Pakistan - the Trustee	-	113	113
Payable against redemption of units	-	420	420
Accrued expenses and other liabilities	-	2,086	2,086
	<u>-</u>	<u>8,096</u>	<u>8,096</u>

## 21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

### 21.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

#### (i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Fund is exposed to such risk on its bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / (loss) for the year and net assets of the Fund would have been higher / lower by Rs 0.3045 million (2021: Rs 0.2894 million)

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022 and June 30, 2021, the Fund did not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

Yield / profit 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 the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

	Effective profit rate (%)	Exposed to yield / profit rate risk	Not exposed to yield / profit rate risk	Total
		Up to three months		
----- Rupees in '000-----				
<b>As at June 30, 2022</b>				
<b>Financial assets</b>				
Bank balances	6.5% -15.25%	30,449	-	30,449
Investments		-	340,947	340,947
Receivable against sale of investments		-	-	-
Dividend and profit receivable		-	110	110
Deposits and other receivables		-	2,600	2,600
		<b>30,449</b>	<b>343,657</b>	<b>374,106</b>
<b>Financial liabilities</b>				
Payable to NBP Fund Management Limited - the Management Company		-	3,764	3,764
Payable to Central Depository Company of Pakistan - the Trustee		-	78	78
Payable against redemption of units		-	3,905	3,905
Accrued expenses and other liabilities		-	2,306	2,306
		-	<b>10,052</b>	<b>10,052</b>
<b>On-balance sheet gap</b>		<b>30,449</b>	<b>333,605</b>	<b>364,054</b>
<b>Total profit rate sensitivity gap</b>		<b>30,449</b>		
<b>Cumulative profit rate sensitivity gap</b>		<b>30,449</b>		
<b>As at June 30, 2021</b>				
<b>Financial assets</b>				
Bank balances	6.25% -6.77%	35,403,559	-	35,403,559
Investments		-	340,947	340,947
Dividend and profit receivable		-	-	-
Receivable against sale of investments		-	-	-
Deposits and other receivables		-	2,600	2,600
		<b>35,403,559</b>	<b>343,547</b>	<b>35,747,106</b>
<b>Financial liabilities</b>				
Payable to NBP Fund Management Limited - the Management Company		-	3,764	3,764
Payable to Central Depository Company of Pakistan - the Trustee		-	78	78
Payable against redemption of units		-	3,905	3,905
Accrued expenses and other liabilities		-	2,306	2,306
		-	<b>10,052</b>	<b>10,052</b>
<b>On-balance sheet gap</b>		<b>35,403,559</b>	<b>333,495</b>	<b>35,737,054</b>
<b>Total profit rate sensitivity gap</b>		<b>35,403,559</b>		
<b>Cumulative profit rate sensitivity gap</b>		<b>35,403,559</b>		

## (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 5% increase / decrease in KMI 30 index on June 30, 2022, with all other variables held constant, the total income of the Fund for the year would increase / decrease by Rs 17.074 million (2021: Rs 28.594 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains/ losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents the management's best estimate of a reasonable possible shift in the KMI 30 index having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 index 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 of future movements in the level of the KMI 30 index.

## 21.2 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 daily settlement of equity securities and daily redemptions at the option of unit holders. 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. The Fund's policy is, therefore, to invest majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement to the extent of fifteen percent of the net assets for upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed to the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

Within one month	More than one month and upto three months	Financial instruments with no fixed maturity	Total
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----- Rupees in '000-----

**As at June 30, 2022**

**Financial assets**

Balances with banks  
Investments  
Dividend and profit receivable  
Deposits and other receivables  
Receivable against sale of investments

30,449	-	-	30,449
-	-	340,947	340,947
110	-	-	110
-	-	2,600	2,600
-	-	-	-
<b>30,559</b>	<b>-</b>	<b>343,547</b>	<b>374,106</b>

**Financial liabilities**

Payable to NBP Fund Management Limited - the Management Company  
Payable to Central Depository Company of Pakistan Limited - the Trustee  
Payable against redemption of units  
Accrued expenses and other liabilities

3,764	-	-	3,764
78	-	-	78
3,905	-	-	3,905
1,854	452	-	2,306
<b>9,601</b>	<b>452</b>	<b>-</b>	<b>10,053</b>

**Net assets**

<b>20,959</b>	<b>(452)</b>	<b>343,547</b>	<b>364,054</b>
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Within one month	More than one month and upto three months	Financial instruments with no fixed maturity	Total
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----- Rupees in '000-----

**As at June 30, 2021**

**Financial assets**

Balances with banks  
Investments  
Dividend and profit receivable  
Deposits and other receivables  
Receivable against sale of units

28,948	-	-	28,948
-	-	571,886	571,886
435	-	-	435
-	-	2,600	2,600
7,179	-	-	7,179
<b>36,562</b>	<b>-</b>	<b>574,486</b>	<b>611,048</b>

**Financial liabilities**

Payable to NBP Fund Management Limited - the Management Company  
Payable to Central Depository Company of Pakistan Limited - the Trustee  
Payable against redemption of units  
Accrued expenses and other liabilities

5,477	-	-	5,477
113	-	-	113
420	-	-	420
1,692	394	-	2,086
<b>7,702</b>	<b>394</b>	<b>-</b>	<b>8,096</b>

**Net assets**

<b>28,860</b>	<b>(394)</b>	<b>574,486</b>	<b>602,952</b>
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## 21.3 Credit risk

21.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	30,449	30,449	28,948	28,948
Investments	340,947	-	571,886	-
Receivable against sale of investments	-	-	7,179	7,179
Dividend and profit receivable	110	110	435	435
Deposits and other receivables	2,600	2,600	6,814	6,814
	<b>374,106</b>	<b>33,159</b>	615,262	43,376

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the investment committee.

## 21.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of bank balances and accrued profit is as follows:

Name of Bank	Rating	% of financial assets exposed to credit risk	
		2022	2021
Ubl Ameen Islamic Bank	AAA	2.353%	1.431%
Habib Bank Ltd - Islamic	AAA		
Dubai Islami Bank Pakistan Limited	AA	0.601%	0.366%
Bankislami Pakistan Ltd	A+	4.701%	2.859%
Burj Bank Ltd.Main	A	0.002%	0%
Silk Bank Ltd - Emaan	A-	0.160%	0.097%
		<b>7.818%</b>	<b>4.754%</b>

## 22 FAIR VALUE MEASUREMENT

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.

Underlying the definition of fair value 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.



## Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at reporting date, the Fund held the following financial instruments measured at fair values:

----- 2022 -----			----- 2021 -----		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
----- Rupees in '000-----			----- Rupees in '000-----		

### Financial assets

At fair value through  
profit or loss

<b>340,947</b>	-	-	<b>571,886</b>	-	-
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## 23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	----- 2022 -----			----- 2021 -----		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
NBFCs	<b>14</b>	<b>366,510</b>	<b>100.00</b>	13	580,206	100.00

## 25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Taurus Securities Ltd.	7.23%	Next Capital Limited	7.08%
Alfalah securities (PVT) Limited	6.57%	Taurus Securities Ltd.	6.34%
Next Capital Limited	6.07%	Igi Finex Securities Limited	6.32%
Optimus Capital Management Limited	5.77%	J.S. Global Capital Ltd.	5.62%
Insight Securities (PVT) Limited	4.79%	Arif Habib Securities Limited	5.28%
Foundation Securities	4.39%	Topline Securities Limited	5.08%
Bma Capital Management Limited	4.37%	Bma Capital Management Limited	4.85%
Intermarket Securities Limited	4.35%	Khadim Ali Shah Bukhari Securities (Pvt.) Limited	4.67%
EFG Hermes Pakistan Limited	4.03%	Foundation Securities	4.43%
D.J.M Securities (PVT) Limited	3.84%	Optimus Capital Management Limited	4.41%

## 26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Dr. Amjad Waheed	Chief Executive Officer	MBA / Doctorate in Business Administration / CFA	34
Asim Wahab Khan	Chief Investment Officer	CFA	16
Salman Ahmed	Head of Fixed Income	CFA	17
Hassan Raza	Head of Research	ACCA / BSC / CFA	11
Usama Bin Razi	Senior Manager Fixed Income	BE, MBA	18

## 27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Asim Wahab Khan	Fund Manager	CFA	NSF, NFSF, NISF, NBPGETF, NBF, NIEF, NIRIF, NIAAF-I, NIAAF-II, NIAAF-III, NPF, NIPF, NISIF, NSIF, NSF

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 81st, 82nd, 83rd, 84th, and 85th Board Meetings were held on July 07, 2021, September 16, 2021, October 29, 2021, February 23, 2022 and April 27, 2022, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of directors	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	-
Mehnaz Salar	5	5	-	-
Ali Saigol	5	5	-	-
Imran Zaffar	5	4	1	85th BOD Meeting
Khalid Mansoor	5	4	1	82nd BOD Meeting
Saad Amanullah Khan	5	5	-	-
Humayun Bashir	5	5	-	-
Amjad Waheed	5	5	-	-
Tauqeer Mazhar (Note 28.1)	4	4	-	-
Syed Hassan Irtiza Kazmi (Note 28.2)	-	-	-	-

28.1 Mr. Tauqeer Mazhar opted as Director on the Board with effect from August 04, 2021

28.2 Syed Hassan Irtiza Kazmi resigned from the board with effect from June 25, 2021.

## 29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 27, 2022.

## 31 GENERAL

31.1 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## PERFORMANCE TABLE

Particulars	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2018	For the year ended June 30, 2017
Net assets at the year / period ended (Rs '000)	366,510	580,206	663,470	1,181,700	1,887,201	4,758,101
Net income for the year / period ended (Rs '000)	(36,664)	213,115	121,325	(470,602)	(633,494)	1,174,089
Net Asset Value per unit at the year / period ended (Rs)	10.3523	11.4819	8.7057	9.0822	11.3425	13.4187
Offer Price per unit	N/A	N/A	N/A	N/A	N/A	N/A
Redemption Price per unit	10.3523	11.4819	8.7057	9.0822	11.3425	13.4187
Ex - Highest offer price per unit (Rs.)	N/A	N/A	N/A	N/A	N/A	N/A
Ex - Lowest offer price per unit (Rs.)	N/A	N/A	N/A	N/A	N/A	N/A
Ex - Highest redemption price per unit (Rs.)	12.7885	11.8419	10.4495	11.8248	13.4325	14.7670
Ex - Lowest redemption price per unit (Rs.)	10.1557	8.5373	6.4098	8.8814	10.5169	10.5149
Opening Nav of Fiscal Year	11.4819	8.3391	8.2354	11.3425	13.2099	10.3144
Total return of the fund	-9.84%	37.69%	5.71%	-19.90%	-14.14%	30.10%
Capital growth	-9.84%	33.29%	-4.57%	-19.90%	-14.14%	16.57%
Income distribution as % of Ex nav	-	4.40%	10.28%	-	-	13.53%
Income distribution as % of Par nav	-	5.16%	8.98%	-	-	13.96%
<b>Distribution</b>						
Interim distribution per unit	-	0.5156	0.8978	-	-	1.3955
Final distribution per unit	-	-	-	-	-	0.1883
<b>Distribution Dates</b>						
Interim	-	25-Jun-21	24-Jun-20	-	-	19-Jun-17
Final	-	-	-	-	-	15-Sep-17
Average annual return of the fund (launch date January 18, 2016)						
(Since inception to June 30, 2022)	5.28%					
(Since inception to June 30, 2021)		8.32%				
(Since inception to June 30, 2020)			2.64%			
(Since inception to June 30, 2019)				1.77%		
(Since inception to June 30, 2018)					12.23%	
(Since inception to June 30, 2017)						35.01%
<i>Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up</i>						

## PROXY ISSUED BY THE FUND

The proxy voting policy of **NBP Islamic Active Allocation Equity 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](http://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:

NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND				
	Resolutions	For	Against	Abstain*
Number	7	7	Nil	N/A
(%)	100%	100%	-	-

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