



Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND

HALF YEARLY REPORT
DECEMBER 31, 2022

AM1
Rated by PACRA



MISSION STATEMENT

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



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION	16



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. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Mr. Saad Amanullah Khan	Member
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	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

Al Baraka Islamic Bank Limited
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

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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



DIRECTORS' REPORT

The Board of Directors of **NBP Fund Management Limited** is pleased to present the reviewed condensed financial statements of **NBP Islamic Active Allocation Equity Fund (NIAAEF)** for the half year ended December 31, 2022.

Fund's Performance

During 1HFY23, the equity market performance remained lackluster, as the benchmark KMI-30 Index fell by 489 points, translating into a modest decline of 0.7% for the period. During the period, the market remained jittery and the Index exhibited large swings on both sides driven by the news-flow.

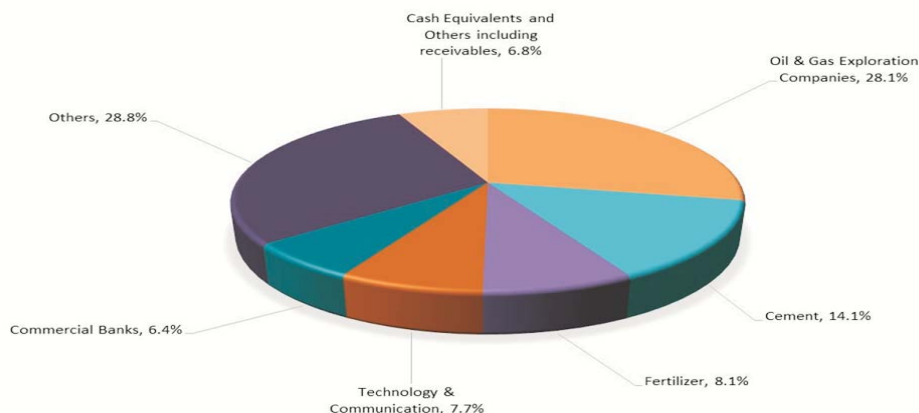
Notwithstanding the strong set of pre-tax results declared by listed corporate space for June & September period, stock market performance remained muted due to frail investor confidence. Although current account was brought under control as Current Account Deficit (CAD) stood at merely USD 3.7 billion down from USD 9.1 billion a year ago, the burgeoning foreign debt repayments took a toll on external account. Since IMF program faced delays & external inflows dried up significantly; SBP's FX reserves nose-dived from USD 9.8 billion to USD 5.6 billion on account of contractual loan repayments. Amid dwindling FX reserves, PKR continued to depreciate as it fell by PKR 21.6 to settle at 226.43 (drop of 10.5%) at December-22 end, which also dented sentiments. Unprecedented rains led to flash floods in the country and resulted in massive devastation that further worsened economic outlook. GDP estimates were trimmed down to 2% from 3%-4% and inflation expectations were also revised upwards by the central bank. Inflation which was already on an ascent due to commodity upcycle and retail fuel & power prices adjustments, further ratcheted up as acute supply disruptions & shortages will put more pressure on the prices. Average inflation clocked in at around 25% in 1HFY23 that prompted the central bank to further raise Policy Rates by 225 basis points during the period. Political uncertainty also remained elevated during the period, due to the long march by PTI during which a failed assassination attempt was made on PTI chief. Furthermore, indications were made to dissolve provincial assemblies where PTI was in power, which further amplified political noise and stirred uncertainty.

In terms of sector wise performance, Cements, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies, Power Generation & Distribution, Sugar & Allied Industries, Technology & Communication, and Transport sectors outperformed the market. On the other hand, Auto Assemblers, Auto Parts & Accessories, Cable & Electrical Goods, Chemicals, Engineering, Food & Personal Care, Glass & Ceramics, Paper & Board, Pharmaceutical, Refinery & Textile Composite sectors lagged the market. On participants-wise market activity, Banks/DFIs and Individual emerged the largest net buyers with inflows of around USD 50 million and USD 48 million, respectively. On the contrary, Mutual Funds & Insurance lowered their net holdings by around USD 64 million and USD 63 million, respectively.

The size of NBP Islamic Active Allocation Equity Fund at the end of the period stood at Rs. 179 million, 51% lower than at June 30, 2022. During the period, the unit price of NBP Islamic Active Allocation Equity Fund has decreased from Rs. 10.3523 on June 30, 2022 to Rs. 10.2990 on December 31, 2022, thus showing a decrease of 0.5%. The Benchmark, KMI-30 Index decreased by 0.7% during the same period. Since inception the NAV of the Fund has increased from Rs. 7.4260 (Ex-Div) on January 18, 2016 to Rs. 10.2990 on December 31, 2022, thus showing an increase of 38.7%. During the said period, the Benchmark increased by 30.7%, translating into outperformance of 8.0%. This performance is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 9.659 million during the period. After deducting total expenses of Rs. 8.046 million, the net income is Rs. 1.613 million.

The asset allocation of the Fund as on December 31, 2022 is as follows:



NIAAEF Performance versus Benchmark



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **February 21, 2023**
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بعد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک ایکٹو ایلوکیشن ایکویڈیٹی فنڈ (NIAAEF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

مالی سال 2023 کی پہلی ششماہی کے دوران ایکویڈیٹی مارکیٹ کی کارکردگی کم رہی، کیونکہ بیچ مارک KMI-30 انڈیکس میں 489 پوائنٹس کی کمی واقع ہوئی، جس کے نتیجے میں مدت کے لیے 0.7 فیصد کی معمولی کمی واقع ہوئی۔ مدت کے دوران، مارکیٹ اتار چڑھاؤ کا شکار رہی اور انڈیکس خبروں کے باعث دونوں اطراف میں ہی گھومتا رہا۔

اگرچہ لٹھ کا رپورٹ نے جون اور ستمبر کی مدت کے لیے قبل از ٹیکس مستحکم نتائج کا اعلان کیا، لیکن سرمایہ کاروں کے کمزور اعتماد کی وجہ سے اسٹاک مارکیٹ کی کارکردگی ساکن رہی۔ اگرچہ کرنٹ اکاؤنٹ کو کنٹرول کر لیا گیا کیونکہ کرنٹ اکاؤنٹ خسارہ (CAD) ایک سال پہلے 9.1 بلین امریکی ڈالر سے کم ہو کر محض 3.7 بلین امریکی ڈالر رہ گیا، غیر ملکی قرضوں کی بڑھتی ہوئی ادائیگیوں نے بیرونی اکاؤنٹ پر اثر ڈالا۔ چونکہ آئی ایم ایف پروگرام کو تاخیر کا سامنا کرنا پڑا اور بیرونی رقوم کی آمد نمایاں طور پر کم ہو گئیں۔ معاہدے کے تحت قرض کی ادائیگیوں کی وجہ سے اسٹیٹ بینک پاکستان کے FX ذخائر 9.8 بلین امریکی ڈالر سے کم ہو کر 5.6 بلین امریکی ڈالر تک رہ گئے۔ کم ہوتے ذخائر کے ساتھ ساتھ، پاکستانی روپیہ مسلسل گرتا رہا، اور 21.6 پاکستانی روپیہ سے گر کر 226.43 (10.5 فیصد کمی) پر آ گیا، جس سے جذبات کو بھی نقصان پہنچا۔ غیر معمولی بارشوں کی وجہ سے ملک میں سیلاب آیا، جس کے نتیجے میں بڑے پیمانے پر تباہی ہوئی اور تقریباً 30 بلین امریکی ڈالر کا اقتصادی نقصان ہوا۔ اس نے معاشی نقطہ نظر کو مزید خراب کر دیا، کیونکہ GDP کے تخمینے کو 3-4 فیصد سے کم کر کے 2 فیصد کر دیا گیا تھا اور مرکزی بینک کی طرف سے افراط زر کی توقعات پر بھی نظر ثانی کی گئی۔ مہنگائی جو کہ اجناس کی قیمتوں میں اضافے کی وجہ سے پہلے ہی عروج پر تھی، سپلائی میں شدید رکاوٹ اور قلت کی وجہ سے قیمتوں پر مزید دباؤ بڑھ گیا۔ اوسط مہنگائی تقریباً 25 فیصد تک پہنچ گئی جو کہ دہائیوں کی بلند ترین سطح پر تھی جس نے مرکزی بینک کو اس مدت کے دوران پالیسی ریٹ میں مزید 225 بیس پوائنٹس کا اضافہ کرنے پر مجبور کر دیا۔ پی ٹی آئی کی جانب سے لاگ مارچ کے اعلان جس میں پی ٹی آئی کے سربراہ پر قاتلانہ حملے کی ناکام کوشش کی گئی، اس عرصے کے دوران سیاسی بے یقینی بھی برقرار رہی۔ مزید برآں، ان صوبائی اسمبلیوں کو تحلیل کرنے کے اشارے دیے گئے جہاں پی ٹی آئی کی حکومت تھی، جس نے سیاسی گہما گہمی کو مزید بڑھا دیا اور غیر یقینی صورتحال کو ختم دیا۔

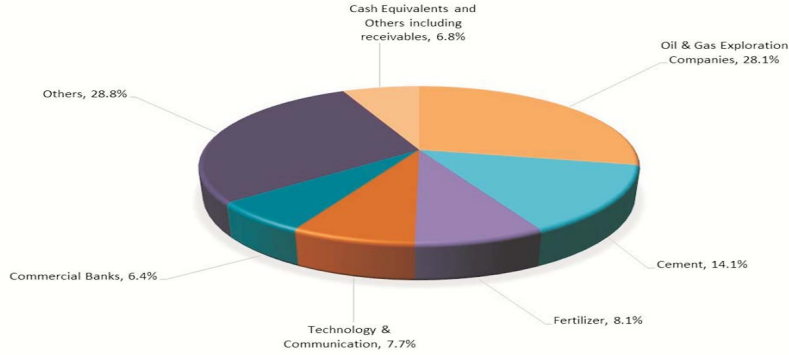
سیکٹر وار کارکردگی کے لحاظ سے سیمینٹس، آئل اینڈ گیس ایکسپلوریشن کمپنیاں، آئل اینڈ گیس مارکیٹنگ کمپنیاں، پاور جنریشن اور ڈسٹری بیوشن، شوگر اینڈ الائیڈ انڈسٹریز، ٹیکسٹائل اور کیمیکل اینڈ فٹو کھوپڑی کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب آٹو اسمبلرز، آٹو پارٹس اینڈ سپریمز، کیبل اینڈ الیکٹریکل اشیاء، کیمیکلز، انجینئرنگ، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹراکس، پیپر اینڈ بورڈ، فارماسیوٹیکل، ریفرنسری اور ٹیکسٹائل کمپوزٹ کے شعبے مارکیٹ میں پیچھے رہے۔ شرکاء کے لحاظ سے مارکیٹ کی سرگرمیوں پر بینکس / DFIs اور انفرادی سرمایہ کار بالترتیب 50 بلین امریکی ڈالر اور 48 بلین امریکی ڈالر کی آمد کے ساتھ سب بڑے خالص خریدار رہے۔ اس کے برعکس، میوچل فنڈز اور انشورنس نے اپنی خالص ہولڈنگز کو بالترتیب 64 بلین امریکی ڈالر اور 63 بلین امریکی ڈالر سے کم کیا۔

موجودہ مدت کے دوران NBP اسلامک ایکٹو ایلوکیشن ایکویڈیٹی فنڈ کا سائز 367 ملین روپے سے کم ہو کر 179 ملین روپے ہو گیا ہے یعنی 51 فیصد کمی ہوئی۔ مدت کے دوران، NBP اسلامک ایکٹو ایلوکیشن ایکویڈیٹی فنڈ کی یونٹ قیمت 30 جون 2022 کو 10.3523 روپے سے کم ہو کر 31 دسمبر 2022 کو 10.2990 روپے ہو گئی، جو 0.5 فیصد کمی کا مظاہرہ کرتی ہے۔ اسی مدت کے دوران، بیچ مارک، KMI-30 انڈیکس میں 0.7 فیصد کمی ہوئی۔ اپنے قیام کے بعد 18 جنوری 2016 سے فنڈ کی NAV 7.4260 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2022 کو 10.2990 روپے ہو گئی، چنانچہ 38.7 فیصد کا اضافہ ہوا۔ اسی مدت کے دوران بیچ مارک 30.7 فیصد سے بڑھا۔ لہذا فنڈ نے 8.0 فیصد کی اہتر کارکردگی دکھائی۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP اسلامک ایکٹو ایلوکیشن ایکویڈیٹی فنڈ کو اس مدت کے دوران 9.659 ملین روپے کی مجموعی آمدنی ہوئی۔ 8.046 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 1.613 ملین روپے ہے۔



31 دسمبر 2022 کو فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



NIAAEF کا کردگی بمقابلہ بیچ مارک



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 انویسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 21 فروری 2023ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 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 Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2023



INDEPENDENT AUDITORS' REVIEW ON INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Active Allocation Equity Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the interim financial statements). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2022.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman

Chartered Accountants

Date: February 21, 2023

Karachi



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

(Un-audited)
December
31, 2022
Note ----- Rupees in 000 -----

(Audited)
June 30,
2022

ASSETS

Bank balances	4	6,297	30,449
Investments	5	166,300	340,947
Dividend and profit receivable	6	192	110
Deposits, prepayment and other receivables	7	11,892	11,973
Total assets		184,681	383,479

LIABILITIES

Payable to NBP Fund Management Limited - Management Company	8	2,868	3,764
Payable to Central Depository Company of Pakistan Limited - Trustee	9	43	78
Payable to the Securities and Exchange Commission of Pakistan	10	34	99
Payable against purchase of Investment		295	6,779
Payable against redemption of units		-	3,905
Accrued expenses and other liabilities	11	2,933	2,344
Total liabilities		6,173	16,969

NET ASSETS

178,508	366,510
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UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)

178,508	366,510
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CONTINGENCIES AND COMMITMENTS

12

----- Number of units -----

NUMBER OF UNITS IN ISSUE

17,332,559	35,403,559
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----- Rupees -----

NET ASSET VALUE PER UNIT

13	10.2990	10.3523
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The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
Note	Rupees in 000			
INCOME				
(Loss) on sale of investments - net	(3,444)	(1,876)	(3,494)	(3,692)
Dividend income	14,602	19,364	9,941	11,932
Profit on bank deposits	868	537	482	108
Unrealised (diminution)/appreciation on re-measurement of investments classified as at fair value through profit or loss - net	5.3 (2,367)	(22,438)	(4,876)	3,073
Total income/(loss)	9,659	(4,413)	2,053	11,421
EXPENSES				
Remuneration of NBP Fund Management Limited - The Management Company	8.1 3,405	4,274	1,564	2,035
Sindh sales tax on remuneration of the Management Company	443	556	204	265
Reimbursement of allocated expenses	8.3 340	550	156	271
Reimbursement of selling and marketing expenses	8.4 2,288	5,775	861	2,781
Remuneration of Central Depository Company of Pakistan Limited - The Trustee	340	570	156	272
Sindh sales tax on remuneration of the Trustee	44	74	20	35
Annual fee of the Securities and Exchange Commission of Pakistan	34	57	16	27
Auditors' remuneration	352	266	232	138
Settlement and bank charges	175	236	82	93
Legal and professional charges	67	314	37	258
Securities transaction cost	455	360	407	187
Rating fee	75	68	34	34
Shariah advisor fee	28	40	9	20
Total expenses	8,046	13,140	3,778	6,416
Net profit/(loss) from operating activities	1,613	(17,553)	(1,725)	5,005
Reversal/(provision) for Sindh Workers' Welfare Fund	-	35,882	-	-
Net income for the period before taxation	1,613	18,329	(1,725)	5,005
Taxation	14 -	-	-	-
Net profit for the period after taxation	1,613	18,329	(1,725)	5,005
Earnings per unit	15			
Allocation of net income for the period				
Net income for the period after taxation	1,613	18,329		
Income already paid on units redeemed	-	(59)		
	1,613	18,270		
Accounting income available for distribution				
- Relating to capital gains	-	-		
- Excluding capital gains	1,613	18,270		
	1,613	18,270		

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director


CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- Rupees in 000 -----			
Net income for the period after taxation	1,613	18,329	(1,725)	5,005
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,613	18,329	(1,725)	5,005

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
 (Management Company)

 Chief Financial Officer

 Chief Executive Officer

 Director



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	31-Dec-22			31-Dec-21		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees in 000					
Net assets at the beginning of the period (audited)	497,328	(130,818)	366,510	674,360	(94,154)	580,206
Issue of 3,550,118 units (December 31, 2021: 5,231,764 units)						
- Capital value (at net asset value per unit at the beginning of the period)	36,752	-	36,752	60,071	-	60,071
- Element of income	(1,352)		(1,352)	3,214	-	3,214
Total proceeds on issuance of units	35,400	-	35,400	63,285	-	63,285
Redemption of 21,621,118 units (December 31, 2021: 15,613,687 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(223,829)	-	(223,829)	(179,275)	-	(179,275)
- Element of loss	(1,185)		(1,185)	(6,331)	(59)	(6,390)
Total payments on redemption of units	(225,015)	-	(225,015)	(185,606)	(59)	(185,665)
Total comprehensive income for the period	-	1,613	1,613	-	18,329	18,329
Net assets at the end of the period (un-audited)	307,713	(129,205)	178,508	552,039	(75,884)	476,155
Accumulated loss brought forward (June 30, 2022) and (June 30, 2021)						
- Realised		(49,612)			(231,420)	
- Unrealised		(81,206)			137,266	
		(130,818)			(94,154)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,613			18,270	
		1,613			18,270	
Accumulated loss carried forward		(129,205)			(75,884)	
Accumulated loss carried forward						
- Realised		(126,838)			(53,446)	
- Unrealised		(2,367)			(22,438)	
		(129,205)			(75,884)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		10.3523			11.4819	
Net asset value per unit at the end of the period		10.2990			11.8593	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31,	
	2022	2021
Note	Rupees in 000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period before taxation	1,613	18,329
Adjustments for non-cash items:		
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	2,367	22,438
(Reversal) for Sindh Workers' Welfare Fund	-	(35,882)
	3,980	4,885
Working capital changes		
Decrease / (increase) in assets		
Dividend and profit receivable	(82)	335
Investments - net	172,280	93,933
Receivable against sale of investments	-	5,439
Deposits and other receivable	81	3,998
	172,279	103,705
(Decrease) / increase in liabilities		
Payable to NBP Fund Management Limited - Management Company	(896)	(318)
Payable to Central Depository Company of Pakistan Limited - Trustee	(35)	(12)
Payable to the Securities and Exchange Commission of Pakistan	(65)	(67)
Payable against purchase of investments	(6,484)	-
Accrued expenses and other liabilities	589	(106)
	(6,891)	(503)
Net cash flows generated from operating activities	169,368	108,087
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	35,400	63,285
Amount paid against redemption of units	(228,920)	(186,085)
Net cash flows (used) in financing activities	(193,520)	(122,800)
Net (decrease) in cash and cash equivalents during the period	(24,152)	(14,713)
Cash and cash equivalents at the beginning of the period	30,449	28,948
Cash and cash equivalents at the end of the period	6,297	14,235

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 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 requirement 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 categorised as an open ended 'Shari'ah 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 higher risk adjusted returns to investors by investing in diversified portfolio of Shari'ah compliant equity instruments. The investment objectives and policies are explained in the Fund's offering document.

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

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 Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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



The condensed financial statement are unaudited and are being distributed to the unitholders as required by section 227 of the companies Act, (The Act). The figures from the half year ended December 31, 2022 have, however, been subjected to limited scope review.

These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022. Selected explanatory notes are included to explain events and transaction that are significant to the understanding of the changes in the Fund's financial position and performance share the last annexed financial statement.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2022.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022. Except for the adoption of any new amended standard as set out in 3.3.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2022.

3.3 Standards, Amendments And Interpretations To Approved Accounting Standards

Standards, amendments and interpretations to the published standards that may be relevant to the Fund in the current year

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

New or Revised Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
Annual improvements to IFRSs 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



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

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

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
----------------------------	--

IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
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Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
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Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
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The Fund 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)"
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IFRS 17 'Insurance Contracts' and amendments to IFRS 17	January 1, 2023
---	-----------------

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees in 000 -----	
4 BANK BALANCES			
Savings accounts	4.1	<u>6,297</u>	<u>30,449</u>

4.1 These include balances of Rs 13.589 million (June 30, 2022: Rs 29.8 million) maintained with BankIslami Pakistan Limited (a related party), that carry profit at the rate ranging from 14.00% to 15.25% (June 30, 2022: 15.25%) per annum. Other savings accounts of the Fund carry profit rates ranging from 13.98% to 15.59% (June 30, 2022: 6.5% to 15.25%) per annum.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees in 000 -----	
5 INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities	5.1	<u>166,300</u>	<u>340,947</u>

5.1 Investments in equity securities - listed

* All shares have a nominal face value of Rs. 10 each except for shares of Thal Limited which have a face value of Rs. 5 each and K-Electric Limited which have a facevalue of Rs. 3.5 each.

** These represent transaction in shares of related parties.

NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND



NBP FUNDS
Managing Your Savings

Name of the investee company	As at July 01, 2022	Acquired during the period	Bonus / Right shares received during the period	Sold during the period	As at Dec 31, 2022	Market value as at Dec 31, 2022	Market value as a percentage of total invest-ments	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		
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	5,014	-	411	(5,421)	4	2	0.00%	0.00%	0.00%
						2	0.00%	0.00%	
AUTOMOBILE PARTS & ACCESSORIES									
Panther Tyres Limited	109,243	500	-	(60,500)	49,243	1,020	0.61%	0.21%	0.17%
						1,020	0.61%	0.21%	
CEMENT									
Attock Cement Pakistan Limited	25,200	40,000	-	(8,000)	57,200	3,235	1.95%	0.68%	0.03%
Fauji Cement Company Limited [note 5.2.1]	260,500	31,500	33,375	(232,500)	92,875	1,116	0.67%	0.23%	0.01%
Kohat Cement Company Limited	185,230	-	-	(68,172)	117,058	17,289	10.40%	3.63%	0.06%
Lucky Cement Limited	46,550	2,500	-	(41,200)	7,850	3,506	2.11%	0.74%	0.00%
Maple Leaf Cement Factory Limited	1	4,000	-	(4,000)	1	-	0.00%	0.00%	-
						25,146	15.13%	5.28%	
CHEMICAL									
Engro Polymer & Chemicals Limited	118,516	2,000	-	(120,516)	-	-	0.00%	0.00%	-
Lucky Core Industries Limited	3,300	-	-	(3,300)	-	-	-	-	-
Descon Oxychem Limited	143,000	4,000	-	(99,000)	48,000	1,059	0.64%	0.22%	0.00%
						1,059	0.00%	0.00%	
COMMERCIAL BANKS									
Meezan Bank Limited	189,213	23,700	18,421	(115,800)	115,534	11,500	6.92%	2.42%	0.01%
						11,500	6.92%	2.42%	
ENGINEERING									
Aisha Steel Mills Limited	23,500	33,000	-	(55,500)	1,000	8.21	0.00%	0.00%	0.00%
International Industries Limited	-	3,600	-	(3,600)	-	-	0.00%	0.00%	-
International Steels Limited**	-	6,500	-	(6,500)	-	-	0.00%	0.00%	-
Mughal Iron and Steel Industries Limited	206,966	5,000	-	(107,500)	104,466	5,047	3.03%	1.06%	0.04%
						5,055	3.03%	1.06%	
FERTILIZER									
Engro Corporation Limited [note 5.2.1]	98,190	15,200	-	(58,300)	55,090	14,434	8.68%	3.03%	0.00%
Fauji Fertilizer Bin Qasim Limited	101,000	-	-	(101,000)	-	-	0.00%	0.00%	0.00%
						14,434	8.68%	3.03%	
FOOD & PERSONAL CARE PRODUCTS									
AL Tahir Limited	204,840	20,000	20,484	(107,500)	137,824	2,355	1.42%	0.00%	0.09%
Shezan International Limited	22,550	-	-	(1,700)	20,850	3,090	1.86%	0.00%	0.01%
Al Shaheer Corporation Limited	9,289	-	-	-	9,289	95	0.06%	0.00%	0.01%
Bunny's Limited	82,000	60,000	-	(20,000)	122,000	1,800	1.08%	0.00%	0.08%
						7,339	1.42%	0.00%	
GLASS & CERAMICS									
Shabbir Tiles Limited	368,000	-	-	(60,000)	308,000	2,649	1.59%	0.56%	0.53%
Tariq Glass Industries Limited	41,963	13,300	9,391	(42,400)	22,254	1,449	0.87%	0.30%	0.02%
						4,098	2.46%	0.86%	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	17,597	1,700	-	(10,127)	9,170	14,186	8.53%	2.98%	0.01%
Oil & Gas Development Company Limited [note 5.2.1]	345,500	40,400	-	(190,300)	195,600	15,581	9.37%	3.27%	0.00%
Pakistan Oilfields Limited	30,020	2,850	-	(25,649)	7,221	2,837	1.71%	0.60%	0.00%
Pakistan Petroleum Limited [note 5.2.1]	352,380	92,900	-	(187,700)	257,580	17,552	10.55%	3.69%	0.01%
						50,155	30.16%	10.54%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	9,950	2,300	2,663	(14,912)	1	-	0.00%	0.00%	-
Pakistan State Oil Company Limited [note 5.2.1]	73,898	25,300	-	(53,910)	45,288	6,521	3.92%	1.37%	0.01%
						6,521	3.92%	1.37%	
PAPER & BOARD									
Roshan Packages Limited	115,500	-	-	(55,500)	60,000	656	0.39%	0.14%	0.04%
Cherat Packaging Limited	1	-	-	-	1	0.01	0.00%	0.00%	-
						656	0.39%	0.14%	



Name of the investee company	As at July 01, 2022	Acquired during the period	Bonus / Right shares received during the period	Sold during the period	As at Dec 31, 2022	Market value as at Dec 31, 2022	Market value as a percentage of total invest-ments	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		
PHARMACEUTICALS									
Abbott Limited	400	-	-	(400)	-	-	0.00%	0.00%	-
Glaxosmithkline Consumer Health Care Pakistan Limited	7,900	-	-	(4,300)	3,600	590	0.35%	0.12%	0.00%
AGP Limited	2,700	6,500	-	(9,200)	-	-	0.00%	0.00%	-
Citi Pharma Limited	26,053	-	-	(26,052)	1	0.02	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	4,213	-	-	(1,900)	2,313	1,249	0.75%	0.26%	0.00%
IBL Healthcare Limited	33,280	-	3,028	(15,500)	20,808	782	0.47%	0.16%	0.00%
The Searle Company Limited	40,074	-	10,018	(35,800)	14,292	841	0.51%	0.18%	0.01%
						3,463	1.73%	0.60%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited [note 5.2.1]	330,490	63,200	-	(230,100)	163,590	10,319	6.21%	2.17%	0.01%
						10,319	6.21%	2.17%	
TECHNOLOGY & COMMUNICATION									
Systems Limited	64,830	7,900	-	(44,150)	28,580	13,831	8.32%	2.90%	0.02%
						13,831	8.32%	2.90%	
TEXTILE COMPOSITE									
Interloop Limited	58,994	-	876	(59,868)	2	0.11	0.00%	0.00%	0.00%
Kohinoor Textile Mills Limited	193,657	35,500	-	(109,500)	119,657	5,654	3.40%	1.19%	0.03%
Nishat Mills Limited [note 5.2.1]	85,281	-	-	(56,200)	29,081	1,599	0.96%	0.34%	0.00%
						7,253	4.36%	1.53%	
TRANSPORT									
Pakistan National Shipping Corporation	-	65,500	-	(24,000)	41,500	4,223	2.54%	0.89%	0.03%
Pakistan International Bulk Limited	240,000	-	-	(202,500)	37,500	178	0.11%	0.04%	0.02%
						4,400	2.54%	0.89%	
MISCELLANEOUS									
Synthetic Products Limited	4,676	-	-	-	4,676	46	0.03%	-0.01%	0.01%
						46	0.03%	-0.01%	
Market value as at December 31, 2022						166,300	96%	33%	
Carrying value as December 31, 2022						168,667			
Market value as at June 30, 2022						340,947			
Carrying value as June 30, 2022						422,153			

5.2 Investments include shares with market value amounting to Rs 52.301 million (June 30, 2022: Rs 80.98 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 Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

5.2.1 Name of Investee Company	Shares pledged	Market value
Engro Corporation Limited	40,000	10,480
Hub Power Company Limited	160,000	10,093
Fauji Cement Company Limited	50,000	601
Nishat Mills Limited	25,000	1,375
Oil & Gas Development Company Limited	150,000	11,949
Pakistan State Oil	20,000	2,880
Pakistan Petroleum Limited	219,000	14,923
		52,301



5.3	Unrealised (diminution) / appreciation on re-measurement of investments classified as fair value through profit or loss	Note	(Un-audited) December 31, 2022	(Audited) December 31, 2021
			Rupees in 000	
	Market value of investments	5.1	166,300	455,515
	Less: carrying value of investments	5.1	168,667	(477,953)
			<u>(2,367)</u>	<u>(22,438)</u>

- 5.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the 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 has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to 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 Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) 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% of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh 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 Fund has included these shares in its 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 requiring 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 period were not withheld by the investee companies.

As at December 31, 2022 the following bonus shares of the Fund have been withheld by investee certain companies at the time of declaration of bonus shares. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the investee company	(Un-audited)		(Audited)	
	December 31, 2022		June 30, 2022	
	Bonus shares		Bonus shares	
	Number of shares	Market value	Number of shares	Market value
		(Rupees in 000)		(Rupees in 000)
Al Shaheer Corporation Limited	9,289	95	9,289	83
Kohinoor Textile Mills Limited	522	25	522	26
Pakistan State Oil Company Limited	3,301	475	3,301	567
The Searle Company Limited	1,354	80	1,354	147
Synthetic Products Enterprises Limited	4,676	46	4,676	66
		<u>721</u>		<u>889</u>



		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees in 000	
6 DIVIDEND AND PROFIT RECEIVABLE			
Profit receivable on bank balances	6.1	192	110
		<u>192</u>	<u>110</u>

6.1 This includes an amount of Rs. 0.192 million (June 30, 2022: Rs. 0.10 million) as profit receivable from BankIslami Pakistan Limited (a related party).

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees in 000	
7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
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	9,292
Prepaid mutual fund rating fee		-	81
		<u>11,892</u>	<u>11,973</u>

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 (2022: Rs 9.292 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 December 31, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees in 000	
8 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	381	580
Sindh sales tax payable on remuneration of the Management Company		49	75
Federal excise duty payable on remuneration of the Management Company	8.2	1,420	1,420
Reimbursement of allocated expenses payable	8.3	156	193
Reimbursement of selling and marketing expenses payable	8.4	862	1,496
		<u>2,868</u>	<u>3,764</u>

8.1 During the period, the Management Company has charged its remuneration at the rate of 2% per annum of the average annual net assets (June 30, 2022: 2% per annum of the average annual net assets). The remuneration is payable to the Management Company monthly in arrears.



- 8.2** 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 Honourable High Court of Sindh (HCS) 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, HCS 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 Honourable Supreme Court of Pakistan (HSC) 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 till June 30, 2016 amounting to Rs 1.42 million (June 30, 2022: Rs 1.42 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2022 would have been higher by Rs 0.0819 (June 30, 2022: Rs 0.0401) per unit.

- 8.3** 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 Feb 2, 2022 to Dec 31, 2022	0.2% per annum of average daily net assets

- 8.4** 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 Sept 20, 2021 to Feb 1, 2022	2.05% per annum of average daily net assets
From Feb 2, 2022 to Dec 31, 2022	1.55% per annum of average daily net assets

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
			----- Rupees in 000 -----	
	Trustee fee payable	9.1	38	57
	Sindh sales tax payable on Trustee fee		5	21
			<u>43</u>	<u>78</u>



- 9.1** 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 1,000 billion 0.20% per annum of net assets
- on an amount exceeding Rs 1,000 billion Rs 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rs 1,000 billion.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees in 000 -----	
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	<u>34</u>	<u>99</u>

- 10.1** The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets (June 30, 2022: 0.02% per annum of the average annual net assets) during the current period.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees in 000 -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Charity payable	11.1	2,372	1,473
Shari'ah advisor fee payable		30	76
Auditors' remuneration payable		397	452
Withholding tax payable		7	38
Legal and professional charges payable		89	175
Settlement charges payable		28	51
Bank charges payable		10	29
Brokerage payable		-	50
		<u>2,933</u>	<u>2,344</u>

- 11.1** According to the instructions of the Shari'ah advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

13 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year end.

14 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, 2008 requires the Fund to distribute 90% net accounting income other than capital gains to the unit holders. 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. Since the Management Company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.



15 EARNINGS PER UNIT

Earnings 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.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2022 is 4.74% (June 30, 2022: 4.65%) which includes 0.31% (June 30, 2022: 0.26%) sales taxes, annual fee to the 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.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Related parties / 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 owing directly or indirectly 10% or more of the capital of the Management Company or the net assets of the Fund, directors and their closed family members and key management personnel of the Management Company.
- 17.2** Transactions with related parties / connected persons executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provision of NBFC regulations, 2008 and the Trust Deed.
- 17.4** Remuneration to the Trustee of the Fund is determined in accordance with the provision of the Trust Deed.
- 17.5** Reimbursement of allocated expenses and selling and marketing expenses are charged to the fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 17.6** Details of transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended	
	December 31,	
	2022	2021
	----- Rupees in 000 -----	
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited	3,405	4,274
Sindh sales tax on remuneration of the Management Company	443	556
Reimbursement of allocated expenses	340	550
Reimbursement of selling and marketing expenses	2,288	5,775
NAFA Islamic Active Allocation Fund - I (Plan I)		
Units issued during the period - 160,457 (2021: 413,080)	1,600	5,072
Units redeemed during the period - 654,247 (2021: 233,610)	6,906	2,806
NAFA Islamic Active Allocation Fund - I (Plan II)		
Units issued during the period - 180,514 (2021: 329,436)	1,800	4,043
Units redeemed during the period - 593,516 (2021: 416,598)	6,223	5,060
NAFA Islamic Active Allocation Fund - I (Plan III)		
Units issued during the period - 1,042,972 (2021: 712,969)	10,400	8,565
Units redeemed during the period - 3,573,410 (2021: 1,923,351)	37,496	22,900



	(Un-audited)	
	Half year ended	
	December 31,	
	2022	2021
	----- Rupees in 000 -----	
NAFA Islamic Active Allocation Fund - I (Plan IV)		
Units issued during the period - 852,429 (2021: 590,472)	8,500	6,986
Units redeemed during the period - 8,995,239 (2021: 1,290,002)	92,543	15,600
NAFA Islamic Active Allocation Fund - I (Plan V)		
Units issued during the period - 511,458 (2021: 128,585)	5,100	1,505
Units redeemed during the period - 2,279,883 (2021: 1,147,178)	23,929	13,882
NAFA Islamic Active Allocation Fund - II (Plan VI)		
Units issued during the period - 110,314 (2021: 87,730)	1,100	1,025
Units redeemed during the period - 457,810 (2021: 1,662,875)	4,830	20,280
NAFA Islamic Active Allocation Fund - II (Plan VII)		
Units issued during the period - 260,743 (2021: 109,244)	2,600	1,295
Units redeemed during the period - 851,331 (2020: 229,889)	8,936	2,800
NAFA Islamic Active Allocation Fund - II (Plan VIII)		
Units issued during the period - 431,229 (2021: 8,483)	4,300	100
Units redeemed during the period - 1,657,869 (2021: 834,357)	17,392	10,012
NAFA Islamic Capital Preservation Plan I		
Units issued - Nil (2021: 257,916)	-	3,000
Units redeemed - 902,124 (2021: 2,593,411)	9,400	30,156
NAFA Islamic Capital Preservation Plan II		
Units redeemed - 424,071 (2021: 2,400,238)	4,400	28,082
NAFA Islamic Capital Preservation Plan III		
Units issued - Nil (2021: 1,335,387)	-	16,277
Units redeemed - 346,328 (2021: 1,839,951)	3,617	21,841
NAFA Islamic Capital Preservation Plan IV		
Units issued - Nil (2021: 747,369)	-	9,179
Units redeemed - 348,679 (2021: 572,992)	3,700	6,729
Units issued - Nil (2021: 511,093)	-	6,239
Units redeemed - 94,539 (2021: 469,234)	943	5,578
NBP Islamic Capital Preservation Plan VI		
Units issued - Nil (2021: Nil)	-	-
Units redeemed - 442,074 (2021: Nil)	4,700	-
Central Depository Company of Pakistan Limited - The Trustee		
Remuneration of Central Depository Company of Pakistan Limited - The Trustee	340	570
Sindh sales tax on remuneration of the Trustee	44	74
Settlement charges	-	61



Bank Islami Pakistan Limited - common directorship

Profit on bank deposits

International Steels Limited - common directorship

Shares purchased - Nil (2021:1300)

Shares sold - Nil (2021: 8,000)

Dividend income

Taurus Securities Limited - subsidiary of parent company

Brokerage expense

National Clearing Company of Pakistan

Limited - common directorship*

NCCPL charges

(Un-audited)	
Half year ended	
December 31,	
2022	2021
----- Rupees in 000 -----	

868 434

- 132

- 758

- 56

28 19

- 165

17.7 Amounts / balances outstanding as at period / year end are as follows:

(Un-audited)	(Audited)
December	June 30,
31, 2022	2022
----- Rupees in 000 -----	

NBP Fund Management Limited - the Management Company

Remuneration payable to the Management Company

Sindh sales tax on remuneration of the Management Company

Federal Excise Duty on remuneration of the Management Company

Reimbursement of selling and marketing expense

Reimbursement of allocated expenses payable

NAFA Islamic Active Allocation Fund I (Plan I)

Units held - 700,527 (June 2022: 1,194,317)

NAFA Islamic Active Allocation Fund I (Plan II)

Units held - 750,657 (June 2022: 1,163,658)

NAFA Islamic Active Allocation Fund I (Plan III)

Units held - 4,641,771 (June 2022: 7,172,209)

NAFA Islamic Active Allocation Fund I (Plan IV)

Units held - 664,555 (June 2022: 8,807,365)

NAFA Islamic Active Allocation Fund I (Plan V)

Units held - 2,059,324 (June 2022: 3,827,749)

NAFA Islamic Active Allocation Fund II (Plan VI)

Units held - 474,259 (June 2022: 821,755)

NAFA Islamic Active Allocation Fund II (Plan VII)

Units held - 1,058,663 (June 2022: 1,649,250)

NAFA Islamic Active Allocation Fund II (Plan VIII)

Units held - 1,695,812 (June 2022: 2,922,452)

381 580

49 75

1,420 1,420

862 1,496

156 193

7,215 12,364

7,731 12,047

47,806 74,249

6,844 91,176

21,209 39,626

4,884 8,507

10,903 17,074

17,465 30,254



	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- Rupees in 000 -----	
NAFA Islamic Capital Preservation Plan I		
Units held - 1,419,043 (June 2022: 2,321,167)	14,615	24,029
NAFA Islamic Capital Preservation Plan II		
Units held - 571,254 (June 2022: 995,325)	5,883	10,304
NAFA Islamic Capital Preservation Plan III		
Units held - 805,093 (June 2022: 1,151,421)	8,292	11,920
NAFA Islamic Capital Preservation Plan IV		
Units held - 131,898 (June 2022: 480,577)	1,358	4,975
Payable against redemption of units	-	-
NBP Islamic Capital Preservation Plan V		
Units held - 386,854 (June 2022: 481,393)	3,984	4,984
NBP Islamic Capital Preservation Plan VI		
Units held - 1,972,848 (June 2022: 2,414,922.)	20,318	25,000
Central Depository Company of Pakistan Limited - the trustee		
Trustee fee payable	38	57
Settlement charges payable	-	51
Sindh sales tax payable on remuneration of the Trustee	5	21
Security deposit	100	100
BankIslami Pakistan Limited - common directorship		
Bank balances	5,644	29,800
Profit receivable	192	101
Taurus Securities Limited - subsidiary of parent company		
Brokerage payable	3	-
National Clearing Company of Pakistan Limited - common directorship*		
Security Deposit	-	2,500
NCCPL charges payable	-	27

* Current year figure has not been presented as the person has ceased to be a related party/ connected person of the Fund as at December 31, 2022.

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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 tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.



18.1 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 that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	----- Un-audited -----			
	----- As at December 31, 2022 -----			
	Level 1	Level 2	Level 3	Total
ASSETS	----- Rupees in 000-----			

ASSETS

Investments - at fair value through profit or loss

Listed equity securities

166,300	-	-	166,300
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ASSETS

Investments - at fair value through profit or loss

Listed equity securities

340,947	-	-	340,947
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----- Audited -----					
----- As at June 30, 2022 -----					
Level 1		Level 2		Level 3	Total
----- Rupees in 000-----					

19 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 21, 2023.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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