

NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND



HALF YEARLY REPORT
DECEMBER 31, 2020



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

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

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Ms. Mehnaz Salar	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
Al Baraka 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



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, 2020.

Fund's Performance

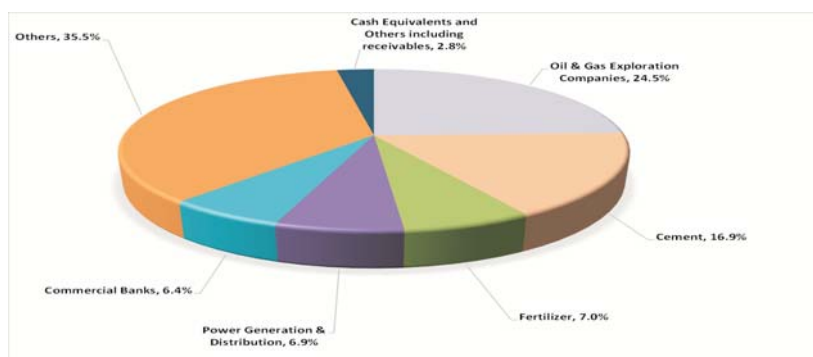
The size of NBP Islamic Active Allocation Equity Fund at the end of the period stood at Rs. 613 million, 8% lower than at June 30, 2020. During the period, the unit price of NBP Islamic Active Allocation Equity Fund has increased from Rs. 8.7057 on June 30, 2020 to Rs. 11.2848 on December 31, 2020, thus showing an increase of 29.6%. The Benchmark, KMI-30 Index increased by 29.4% during the same period. Since inception the NAV of the Fund has increased from Rs. 7.7525 (Ex-Div) on January 18, 2016 to Rs. 11.2848 on December 31, 2020, thus showing an increase of 45.6%. During the said period, the Benchmark increased by 36.3%, translating into outperformance of 9.3%. This performance is net of management fee and all other expenses.

During 1HFY2021, riding on the positive momentum, the stock market delivered robust returns as the benchmark KMI-30 Index surged by around 29%. To recall, the market staged a sharp recovery after Coronavirus-induced sell-off of equities in March 2020. The rally at the local bourse is attributable to the unprecedented monetary and fiscal policy response; gradual lifting of the lockdown; and earlier than expected arrival of the effective vaccines.

The unprecedented policy measures on the fiscal and monetary fronts cushioned the economy from the Coronavirus shock. The SBP slashed the Policy Rate by a cumulative 6.25% and emended prudential regulations to provide relief for loan repayments and the government launched a massive stimulus package of Rs. 1.2 trillion. On the healthcare front, active cases of Covid-19 declined significantly after peaking in July; the fatality rate fell sharply; and infection ratios also dropped to a low single-digit. Improvement on the pandemic front allowed re-opening of the economy, which gathered steam as evidenced by the frequently released economic data such as cement dispatches, retail fuel sales, and sale of automobiles. SBP-IBA survey shows that business confidence also reached at a two year high after bottoming in April 2020. External account also remained beneficiary of the Coronavirus pandemic as workers' remittances have shown a hefty 25% growth in 1HFY21 on a year-on-year basis. Resultantly, the country has posted a current account surplus of USD 1.1 billion in the 1HFY2021 versus a current account deficit of USD 2.0 billion in corresponding periods last year. Despite elevated food prices, average inflation also eased off somewhat. The encouraging development on the healthcare front, improving economic activity, promising corporate earnings prospects, and attractive market valuations buoyed market sentiments.

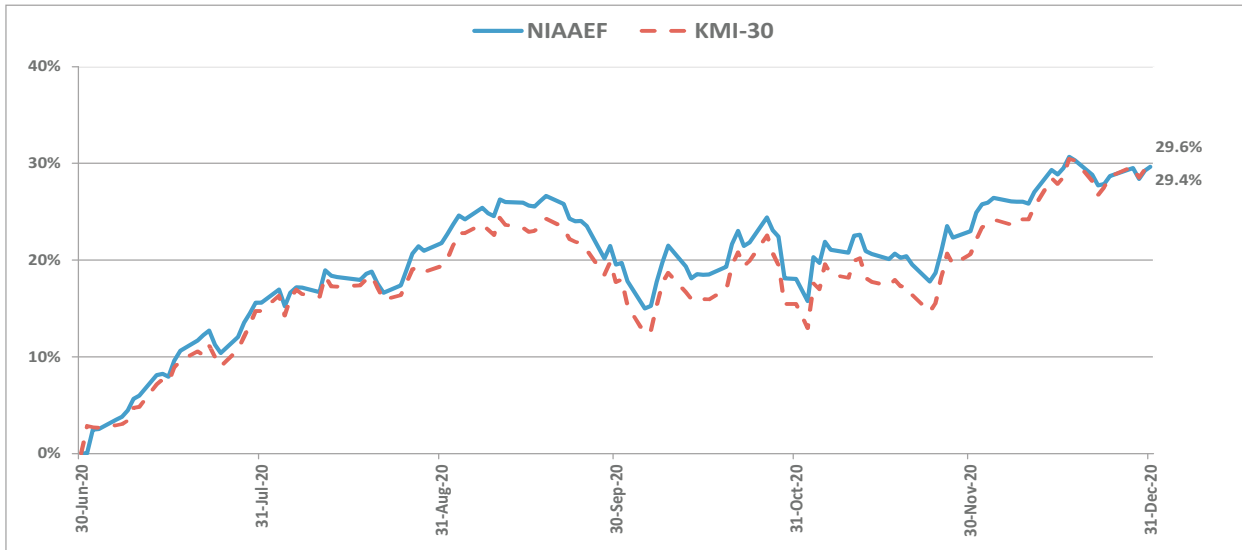
Looking at the sector wise performance of the market, Automobiles, Cable & Elec. Goods, Cements, Engineering, Glass & Ceramics, Paper & Board, Refineries, Technology and Textiles outperformed the market, while Fertilizers, Food & Personal Care, Insurance, Oil & Gas Exploration, Pharmaceuticals, Power Generation and Distribution, Sugar, and Transport sectors lagged behind. In terms of participant-wise activity, Individuals remained the largest buyers during the period under review with net inflows of USD 159 million. Alongside, Companies and Insurance were also large net buyers, adding positions worth USD 91 million and USD 83 million, respectively. On the other hand, Foreigners and Banks/DFIs were the largest sellers in the market with net outflows amounting to USD 279 million and USD 69 million, respectively.

The Fund has earned a total income of Rs. 189.286 million during the period. After deducting total expenses of Rs. 16.534 million, the net income is Rs. 172.752 million. The asset allocation of the Fund as on December 31, 2020 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

Director

Date: **February 26, 2021**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ (NIAAEF) کا سائز 613 ملین روپے پر قائم رہا، جو 30 جون 2020 سے 8% کم ہے۔ اس مدت کے دوران، NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ کی پونٹ قیمت 30 جون 2020 کو 8.7057 روپے سے بڑھ کر 31 دسمبر 2020ء کو 11.2848 روپے ہو گئی، جو 29.6% کا اضافہ ظاہر کر رہی ہے۔ اسی مدت کے دوران بیچ مارک KMI-30 انڈیکس میں اضافہ 29.4% تھا۔ اپنے قیام سے اب تک NAV 18 جنوری 2016 کو 7.7525 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2020ء کو 11.2848 روپے ہو گیا، لہذا 45.6% کا اضافہ ہوا۔ اس مدت کے دوران بیچ مارک میں 36.3% اضافہ ہوا۔ لہذا فنڈ نے اپنے بیچ مارک سے 9.3% بہتر کارکردگی دکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

اسٹاک مارکیٹ نے مالی سال 2021 کی پہلی ششماہی کے دوران مضبوط کارکردگی کا تاثر دیا جیسا کہ بیچ مارک KMI-30 انڈیکس میں 29 فیصد کا اضافہ ہوا۔ کورونا وائرس کے تناظر میں مارچ 2020 میں ایکویٹی کی فروخت کے بعد مارکیٹیں تیزی سے بحالی کا مظاہرہ کیا۔ مقامی سطح پر ہونے والی بحالی غیر معمولی مالیاتی اور مالی پالیسی کے رد عمل، لاک ڈاؤن کو بتدریج اٹھانے، اور موثر ویکسینوں کی توقع سے قبل آمد کے باعث پیدا ہوئی ہے۔

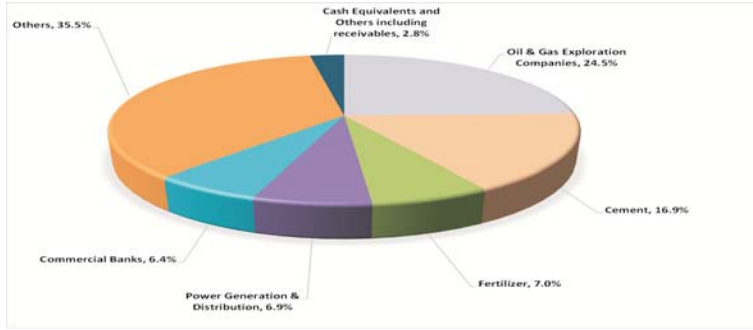
مالی اور مالیاتی محاذوں پر غیر معمولی پالیسی اقدامات نے معیشت کو کورونا وائرس کے خطرات سے تحفظ دیا۔ اسٹیٹ بینک نے پالیسی شرح میں مجموعی طور پر 6.25 فیصد کمی کی اور قرضوں کی ادائیگیوں میں مدد دینے کے لئے احتیاطی ضوابط میں ترمیم کی اور حکومت نے 1.2 ٹریلین روپے کے ایک محرک پیکیج کا آغاز کیا۔ صحت کی دیکھ بھال کے حوالے سے، جولائی میں بلندی پر پہنچنے کے بعد کوویڈ-19 کے فعال کیسز میں نمایاں کمی واقع ہوئی، اموات کی شرح میں تیزی سے کمی آئی اور انفیکشن کا تناسب بھی کم ہو کر واحد ہندسے پر آ گیا۔ وبائی محاذ پر بہتری نے معیشت کو دوبارہ کھولنے کی اجازت دی، سہنت کی تریل، خوردہ ایندھن کی فروخت اور آٹوموبائل کی فروخت کے لئے جاری کردہ معاشی اعداد و شمار اس بات کا ثبوت دیتے ہیں۔ SBP-IBA سروے ظاہر کرتا ہے کہ اپریل 2020 میں چلنی سطح پر پہنچنے کے بعد کاروباری اعتماد بھی دو سال کی بلند ترین سطح پر پہنچ گیا۔ بیرونی اکاؤنٹ اب تک کورونا وائرس میں فائدہ مند رہا ہے کیونکہ کارکنوں کی ترسیلات زرنے سالانہ بنیاد پر مالی سال 2021 کی پہلی ششماہی میں 25 فیصد کا نمایاں اضافہ ظاہر کیا ہے۔ نتیجتاً ملک نے مالی سال 2021 کی پہلی ششماہی میں 1.1 ٹریلین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کرایا ہے جبکہ گذشتہ سال کے اسی عرصے میں کرنٹ اکاؤنٹ خسارہ 2.0 ٹریلین امریکی ڈالر تھا۔ خوراک کی بلند ترین قیمتوں کے باوجود، اوسط افراط زر میں بھی کسی حد تک کمی آئی ہے۔ صحت کی دیکھ بھال کے محاذ پر حوصلہ افزاء بہتری، معاشی سرگرمیوں میں بہتری، کارپوریٹ آمدنی کے امکانات کا وعدہ، اور مارکیٹ کی پُرکشش قیمتوں نے مارکیٹ کے بڑھنے کو فروغ دیا۔

مارکیٹ کی ٹیکسٹ اور کارکردگی کے تناظر میں، آٹوموبائل، کیبل اور ایکٹرک کا سامان، سہنت، انجینئرنگ، شیشہ اور سرکس، کاغذ اور بورڈ، ریٹائزر، ٹیکنالوجی اور نیٹسٹائل نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا جبکہ کھاد، خوراک اور ذاتی نگہداشت، انشورنس، آئل اینڈ گیس ایکسپلوریشن، دواسازی، بجلی پیداوار اور تقسیم کرنے، چینی اور ٹرانسپورٹ کے شعبے پیچھے رہے۔ شریک وائر سرگرمی کے لحاظ سے، زیر جائزہ مدت کے دوران انفرادی سرمایہ کار 159 ملین امریکی ڈالر کی خالص ان فلوز کے ساتھ بڑے خریدار رہے۔ اس کے علاوہ کمپنیز اور انشورنس بھی خالص خریدار تھے، جنہوں نے بالترتیب 91 ملین امریکی ڈالر اور 83 ملین امریکی ڈالر کا اضافہ کیا۔ دوسری طرف، غیر ملکی اور بینک/DFIs مارکیٹ میں بالترتیب 279 ملین امریکی ڈالر اور 69 ملین امریکی ڈالر کے خالص آؤٹ فلوز کے ساتھ بڑے فروخت کنندگان رہے۔

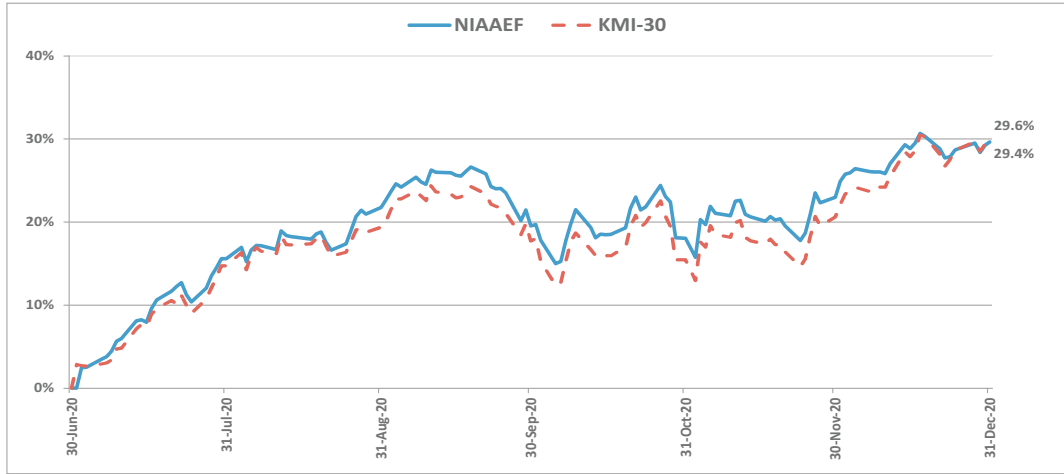
NBP اسلامک ایکٹو ایلوکیشن ایکویٹی فنڈ نے موجودہ مدت کے دوران 189.286 ملین روپے کی کل آمدنی کمائی ہے۔ 16.534 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 172.752 ملین روپے ہے۔



31 دسمبر 2020 کے مطابق فنڈ کی ایسٹ ایلوکییشن حسب ذیل ہے:



NIAAEF کی کارکردگی بمقابلہ بیچ مارک



انٹہارتشکر

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

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

منجانب یورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 فروری 2021ء

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, 2020 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 26, 2021



INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

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, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund and condensed interim statement of cash flows and notes to the financial statements for the half year then ended (herein-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

- 1) The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020; and
- 2) The condensed interim financial statements for the half year ended December 31, 2019 and the annual financial statements for the year ended June 30, 2020 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 27, 2020 and audit report dated September 29, 2020 expressed an unmodified conclusion and an unmodified opinion, on the aforementioned financial statements.

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 26, 2021

Karachi



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note ----- Rupees in 000 -----	
ASSETS		
Bank balances	5 47,562	46,323
Investments	6 595,694	643,918
Receivable against sale of investments	-	14,615
Dividend and profit receivable	7 2,310	234
Deposits, prepayment and other receivables	8 11,609	11,731
Preliminary expenses and floatation costs	9 9	110
Total assets	657,184	716,931
LIABILITIES		
Payable to NBP Fund Management Limited - Management Company	10 5,147	5,038
Payable to Central Depository Company of Pakistan Limited - Trustee	11 116	129
Payable to the Securities and Exchange Commission of Pakistan	12 63	202
Payable against redemption of units	-	13,107
Accrued expenses and other liabilities	13 38,827	34,985
Total liabilities	44,153	53,461
NET ASSETS	613,031	663,470
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	613,031	663,470
CONTINGENCIES AND COMMITMENTS	14	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	54,323,519	76,211,277
	----- Rupees -----	
NET ASSET VALUE PER UNIT	15 11.2848	8.7057

The annexed notes from 1 to 22 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, 2020

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
Note ----- Rupees in 000 -----				
INCOME				
Gain on sale of investments - net	45,332	37,545	8,525	58,146
Dividend income	11,751	40,437	10,181	25,570
Profit on bank balances	1,328	6,169	664	3,116
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	6.3 130,875	210,531	36,055	256,673
Total income	189,286	294,682	55,425	343,505
EXPENSES				
Remuneration of NBP Fund Management Limited - Management Company	10.1 4,696	8,844	2,223	4,955
Sindh sales tax on remuneration of the Management Company	610	1,150	288	644
Allocated expenses	10.3 367	578	202	331
Selling and marketing expenses	10.4 5,124	6,490	2,651	3,909
Remuneration of Central Depository Company of Pakistan Limited - Trustee	626	1,065	296	582
Sindh sales tax on remuneration of the Trustee	81	138	38	75
Annual fee of the Securities and Exchange Commission of Pakistan	63	116	30	67
Amortisation of preliminary expenses and floatation costs	9 101	101	50	51
Auditors' remuneration	401	384	286	205
Settlement and bank charges	194	544	117	284
Legal and professional charges	123	20	79	10
Securities transaction cost	460	2,126	77	1,586
Rating fee	122	111	59	55
Shariah advisor fee	40	94	12	46
Total expenses	13,008	21,761	6,408	12,800
Net income from operating activities	176,278	272,921	49,017	330,705
Provision for Sindh Workers' Welfare Fund	(3,526)	(5,458)	(981)	(5,458)
Net income for the period before taxation	172,752	267,463	48,036	325,247
Taxation	16 -	-	-	-
Net income for the period after taxation	172,752	267,463	48,036	325,247
Earnings per unit	17			
Allocation of net income for the period				
Net income for the period after taxation	172,752	267,463		
Income already paid on units redeemed	(43,113)	(70,271)		
	129,639	197,192		
Accounting income available for distribution				
- Relating to capital gains	129,639	188,473		
- Excluding capital gains	-	8,719		
	129,639	197,192		

The annexed notes from 1 to 22 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, 2020

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2020	2019	2020	2019
	----- Rupees in 000 -----			
Net income for the period after taxation	172,752	267,463	48,036	325,247
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>172,752</u>	<u>267,463</u>	<u>48,036</u>	<u>325,247</u>

The annexed notes from 1 to 22 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, 2020

	December 31, 2020			December 31, 2019		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Undistributed income / (accumulated loss)	Total
----- Rupees in 000 -----						
Net assets at the beginning of the period (audited)	859,763	(196,293)	663,470	1,428,540	(246,840)	1,181,700
Issue of 8,158,730 units (December 31, 2019: 63,073,072 units)						
- Capital value (at net asset value per unit at the beginning of the period)	71,027	-	71,027	572,842	-	572,842
- Element of income	10,471	-	10,471	4,289	-	4,289
Total proceeds on issuance of units	81,498	-	81,498	577,131	-	577,131
Redemption of 30,046,488 units (December 31, 2019: 75,256,044 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(261,576)	-	(261,576)	(683,490)	-	(683,490)
- Element of (loss) / income	-	(43,113)	(43,113)	16,892	(70,271)	(53,379)
Total payments on redemption of units	(261,576)	(43,113)	(304,689)	(666,598)	(70,271)	(736,869)
Total comprehensive income for the period	-	172,752	172,752	-	267,463	267,463
Net assets at the end of the period (un-audited)	679,685	(66,654)	613,031	1,339,073	(49,648)	1,289,425
(Accumulated loss) / undistributed income brought forward						
- Realised		(216,060)			(9,695)	
- Unrealised		19,767			(237,145)	
		(196,293)			(246,840)	
Accounting income available for distribution						
- Relating to capital gains	129,639			188,473		
- Excluding capital gains	-			8,719		
	129,639			197,192		
Net loss for the period after taxation		-			-	
Accumulated loss carried forward		(66,654)			(49,648)	
Accumulated loss carried forward						
- Realised		(197,529)			(260,179)	
- Unrealised		130,875			210,531	
		(66,654)			(49,648)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period		8.7057			9.0822	
Net asset value per unit at the end of the period		11.2848			10.9340	

The annexed notes from 1 to 22 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, 2020

	December 31,	
	2020	2019
Note	----- Rupees in 000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	172,752	267,463
Adjustments for non-cash items:		
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	(130,875)	(210,531)
Provision against Sindh Workers' Welfare Fund	3,526	5,458
Amortisation of preliminary expenses and floatation costs	9 101	101
	<u>45,504</u>	<u>62,491</u>
Working capital changes		
Decrease / (increase) in assets		
Dividend and profit receivable	(2,076)	692
Investments - net	179,099	88,743
Receivable against sale of investments	14,615	36,116
Deposits and other receivable	122	409
	<u>191,760</u>	<u>125,960</u>
Increase / (decrease) in liabilities		
Payable to NBP Fund Management Limited - Management Company	109	(1,430)
Payable to Central Depository Company of Pakistan Limited - Trustee	(13)	10
Payable to the Securities and Exchange Commission of Pakistan	(139)	(1,614)
Accrued expenses and other liabilities	316	(333)
	<u>273</u>	<u>(3,367)</u>
Net cash flows generated from operating activities	<u>237,537</u>	<u>185,084</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	81,498	577,131
Amount paid against redemption of units	(317,796)	(736,869)
Net cash flows used in financing activities	<u>(236,298)</u>	<u>(159,738)</u>
Net increase in cash and cash equivalents during the period	<u>1,239</u>	<u>25,346</u>
Cash and cash equivalents at the beginning of the period	46,323	22,721
Cash and cash equivalents at the end of the period	<u>47,562</u>	<u>48,067</u>

The annexed notes from 1 to 22 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, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Islamic Active Allocation Equity Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on November 3, 2015 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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.

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 at June 24, 2020 to the Management Company and performance ranking of "4 Star" as at August 28, 2020 to the Fund.

The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

1.2 Impact of COVID -19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the year ended June 30, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

Except for the transactions mentioned in note 19, there were no significant events and transactions that have affected the Fund's financial position and performance during the half year ended December 31, 2020.



3 BASIS OF PREPARATION

3.1 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 Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. 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, 2020.

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, 2020.

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

4.1 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, 2020.

4.2 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, 2020. 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, 2020.

4.3 Standards, Amendments And Interpretations To Approved Accounting Standards

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

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



New or Revised Standard or Interpretation

Effective date (accounting periods beginning on or after)

IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7)	January 1, 2020
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2020
IFRS 16, IFRS 9 and IAS 21 specific application is now applicable to all companies including those having PPAs signed on or after January 01, 2019	June 1, 2020

Adoption of the above standard have no effect on the amounts for the period ended December 31, 2020.

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 (accounting periods beginning on or after)

IFRS 9, IAS 39, and IFRS 7 Interest Rate Benchmark Reform Phase 2	January 1, 2021
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IFRS 1, and IFRS 9 Annual Improvements to IFRS Standards 2018-2020 cycle	January 1, 2022

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in 000 -----	
5	BANK BALANCES		
	Savings accounts	5.1 <u>47,562</u>	<u>46,323</u>
5.1	These include balances of Rs 8.932 million (June 30, 2020: Rs 35.814 million) maintained with BankIslami Pakistan Limited (a related party), that carry profit at the rate ranging from 6% to 7% (June 30, 2020: 7.25%) per annum. Other savings accounts of the Fund carry profit rates ranging from 4.5% to 7% (June 30, 2020: 4.5% to 7.5%) per annum.		
		(Un-audited) December 31, 2020	(Audited) June 30, 2020
6	INVESTMENTS	----- Rupees in 000 -----	
	Listed equity securities	6.1 <u>595,694</u>	<u>643,918</u>

At fair value through profit or loss (FVTPL)



6.1 Listed equity securities

Name of the investee company	As at July 01, 2020	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at Dec 31, 2020	Market value as at Dec 31, 2020	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
AUTOMOBILE ASSEMBLER									
Honda Atlas Car Limited	32,400	4,700	-	(27,900)	9,200	3,019	0.51%	0.49%	0.01%
Indus Motor Company Limited	1,500	-	-	(500)	1,000	1,198	0.20%	0.20%	0.00%
Millat Tractors Limited	8,300	-	-	(700)	7,600	8,315	1.40%	1.36%	0.02%
						12,532	2.11%	2.05%	
AUTOMOBILE PARTS & ACCESSORIES									
Agriauto Industries Limited*	3,600	-	-	(3,600)	-	-	0.00%	0.00%	0.00%
Thal Limited*	33,300	-	-	(15,600)	17,700	8,366	1.40%	1.36%	0.02%
						8,366	1.40%	1.36%	
CEMENT									
Cherat Cement Company Limited	17,500	-	-	(17,500)	-	-	0.00%	0.00%	0.00%
D. G. Khan Cement Company Limited	21,500	-	-	(21,500)	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	377,000	-	-	(29,500)	347,500	7,530	1.26%	1.23%	0.03%
Kohat Cement Company Limited	257,030	-	-	(84,500)	172,530	37,825	6.35%	6.17%	0.09%
Lucky Cement Limited [note 6.2.1]	94,200	-	-	(26,700)	67,500	46,986	7.89%	7.66%	0.02%
Maple Leaf Cement Factory Limited	383,750	20,000	-	(148,500)	255,250	11,489	1.93%	1.87%	0.02%
						103,830	17.43%	16.93%	
CHEMICAL									
Dynea Pakistan Limited*	4,500	-	-	-	4,500	926	0.16%	0.15%	0.02%
Engro Polymer & Chemicals Limited	463,916	-	-	(20,500)	443,416	21,067	3.54%	3.44%	0.05%
Lotte Chemical Pakistan Limited	-	189,500	-	-	189,500	2,854	-	-	-
ICI Pakistan Limited	12,200	-	-	(3,100)	9,100	6,917	1.16%	1.13%	0.01%
						31,764	4.86%	4.72%	
COMMERCIAL BANKS									
Meezan Bank Limited	500,583	-	36,958	(161,000)	376,542	39,326	6.60%	6.42%	0.03%
						39,326	6.60%	6.42%	
ENGINEERING									
Agha Steel Industries Limited	-	248,500	-	-	248,500	9,794	1.64%	1.60%	0.05%
Amreli Steels Limited	227,000	-	-	(227,000)	-	-	0.00%	0.00%	0.00%
International Industries Limited	430	-	-	(430)	-	-	0.00%	0.00%	0.00%
International Steels Limited**	81,100	-	-	(81,100)	-	-	0.00%	0.00%	0.00%
Ittefaq Iron Industries Limited	568,500	-	-	(568,500)	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited	260,500	-	-	(124,500)	136,000	10,299	1.73%	1.68%	0.05%
						20,093	3.37%	3.28%	
FERTILIZER									
Engro Fertilizers Limited	29,500	-	-	(29,500)	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited [note 6.2.1]	202,790	-	-	(63,000)	139,790	42,966	7.21%	7.01%	0.02%
						42,966	7.21%	7.01%	
FOOD & PERSONAL CARE PRODUCTS									
Al Shaheed Corporation Limited	189,706	-	54,103	(81,500)	162,309	1,981	0.33%	0.32%	8.12%
AT Tahir Limited	125,000	-	3,250	(125,000)	3,250	66	0.01%	0.01%	0.00%
						2,047	0.34%	0.33%	
GLASS & CERAMICS									
Ghani Global Glass Limited	440,000	-	-	(269,500)	170,500	3,110	0.52%	0.51%	0.17%
Ghani Value Glass Limited	15,500	-	-	(15,500)	-	-	0.00%	0.00%	0.00%
Tariq Glass Industries Limited	196,250	-	-	(83,500)	112,750	9,897	1.66%	1.61%	0.10%
						13,007	2.18%	2.12%	
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	49,117	-	-	(13,300)	35,817	47,988	8.06%	7.83%	0.03%
Oil & Gas Development Co. Limited [note 6.2.1]	420,000	5,500	-	(100,800)	324,700	33,694	5.66%	5.50%	0.01%
Pakistan Oilfields Limited [note 6.2.1]	71,420	-	-	(17,000)	54,420	21,518	3.61%	3.51%	0.02%
Pakistan Petroleum Limited [note 6.2.1]	653,580	6,500	-	(140,100)	519,980	46,970	7.88%	7.66%	0.02%
						150,170	25.21%	24.50%	
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	10,550	-	-	(1,900)	8,650	2,895	0.49%	0.47%	0.01%
Pakistan State Oil Company Limited	99,998	10,000	-	(31,500)	78,498	16,901	2.84%	2.76%	0.02%
Sui Northern Gas Pipelines Limited	190,500	-	-	(44,600)	145,900	6,481	1.09%	1.06%	0.02%
						26,277	4.42%	4.29%	
PAPER & BOARD									
Packages Limited	14,000	-	-	(8,600)	5,400	3,223	0.54%	0.53%	0.01%
Cherat Packaging Limited	34,626	-	-	(34,626)	-	-	0.00%	0.00%	0.00%
Roshan Packages Limited	200,000	-	-	(20,000)	180,000	7,650	1.28%	1.25%	0.13%
						10,873	1.82%	1.78%	
PHARMACEUTICALS									
AGP Limited	13,500	-	-	-	13,500	1,537	0.26%	0.25%	0.00%
Ferozsons Laboratories Limited	9,000	-	-	(9,000)	-	-	0.00%	0.00%	0.00%
Glaxosmithkline Pakistan Limited	33,400	-	-	(3,700)	29,700	5,697	0.96%	0.93%	0.01%
Highnoon laboratories Limited	-	1,800	-	-	1,800	1,080	0.18%	0.18%	0.00%
The Searle Company Limited	55,754	-	14,811	(18,700)	51,865	12,926	2.17%	2.11%	0.02%
						21,240	3.57%	3.47%	
POWER GENERATION & DISTRIBUTION									
Hub Power Company Limited** [note 6.2.1]	552,712	35,000	-	(53,500)	534,212	42,377	7.11%	6.91%	0.04%
						42,377	7.11%	6.91%	
SUGAR AND ALLIED INDUSTRIES									
Faran Sugar Mills Limited	29,000	-	-	-	29,000	1,226	0.21%	0.20%	0.12%
						1,226	0.21%	0.20%	
Balance brought forward						526,095			



Name of the investee company	As at July 01, 2020	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at Dec 31, 2020	Market value as at Dec 31, 2020	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 -----		
Balance carried forward						526,095			
TECHNOLOGY & COMMUNICATION									
Netsol Technologies Limited	40,400	-	-	(40,400)	-	-	0.00%	0.00%	0.00%
Systems Limited	82,050	-	-	(22,400)	59,650	25,007	4.20%	4.08%	0.05%
						25,007	4.20%	4.08%	
TEXTILE COMPOSITE									
Kohinoor Textile Mills Limited	161,157	-	-	(60,000)	101,157	6,901	1.16%	1.13%	0.03%
Nishat Mills Limited [note 6.2.1]	296,400	-	-	(114,300)	182,100	18,532	3.11%	3.02%	0.05%
Interloop Limited	174,629	-	-	-	174,629	11,887	2.00%	1.94%	0.02%
						37,320	6.27%	6.09%	
TRANSPORT									
Pakistan National Shipping Corporation	107,500	-	-	(30,000)	77,500	7,084	1.19%	1.16%	0.06%
						7,084	1.19%	1.16%	
MISCELLANEOUS									
Synthetic Products Limited	4,330	-	-	-	4,330	188	0.03%	0.01%	0.00%
						188	0.03%	0.01%	
Market value as at December 31, 2020						<u>595,694</u>	<u>100%</u>	<u>17%</u>	
Carrying value as December 31, 2020						<u>464,819</u>			
Market value as at June 30, 2020						<u>643,918</u>			
Carrying value as June 30, 2020						<u>624,151</u>			

* All shares have a nominal face value of Rs 10 each except for shares of Thal Limited, Agriauto Industries Limited and Dynea Pakistan Limited which have a face value of Rs 5 each.
** These represent transactions in shares of related parties.

6.2 Investments include shares with market value amounting to Rs 106.866 million (June 30, 2020: Rs 98.097 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:

6.2.1 Name of Investee Company	(Rs. in 000)	
	Shares pledged	Market value
Engro Corporation Limited	100,000	30,736
Hub Power Company Limited	200,000	15,866
Lucky Cement Limited	10,000	6,961
Nishat Mills Limited	50,000	5,089
Oil & Gas Development Company Limited	100,000	10,377
Pakistan Oilfields Limited	50,000	19,771
Pakistan Petroleum Limited	200,000	18,066
		<u>106,866</u>

6.3 Unrealised appreciation on re-measurement of investments classified as fair value through profit or loss

	(Un-audited) December 31, 2020	(Audited) December 31, 2019
	----- Rupees in 000 -----	
Market value	595,694	1,249,955
Less: carrying value	(464,819)	(1,039,424)
	<u>130,875</u>	<u>210,531</u>



- 6.4** 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 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. 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, 2020, the following bonus shares of the Fund have been withheld by 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, 2020		June 30, 2020	
	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	144	9,289	106
Kohinoor Textile Mills Limited	522	36	522	19
Pakistan State Oil Company Limited	3,301	711	3,301	522
Synthetic Products Enterprises Limited	4,330	188	4,330	180
The Searle Company Limited	1,354	337	1,354	270
		1,416		1,097



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		----- Rupees in 000 -----	
7	DIVIDEND AND PROFIT RECEIVABLE		
	Dividend receivable	2,124	-
	Profit receivable on bank balances	186	234
		<u>2,310</u>	<u>234</u>
7.1	This includes an amount of Rs 0.108 million (June 30, 2020: Rs 0.17 million) as profit receivable from BankIslami Pakistan Limited (a related party).		
		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		----- Rupees in 000 -----	
8	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	9,009	9,009
	Prepaid mutual fund rating fee	-	122
		<u>11,609</u>	<u>11,731</u>
	* related party balance		
9	PRELIMINARY EXPENSES AND FLOATATION COSTS		
	At the beginning of the period / year	110	310
	Less: amortisation during the period / year	(101)	(200)
	At the end of the period / year	<u>9</u>	<u>110</u>
9.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed.		
		(Un-audited) December 31, 2020	(Audited) June 30, 2020
10	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable	774	858
	Sindh sales tax payable on remuneration of the Management Company	101	112
	Federal excise duty payable on remuneration of the Management Company	1,420	1,420
	Allocated expenses payable	202	172
	Selling and marketing expenses payable	2,650	2,476
		<u>5,147</u>	<u>5,038</u>



- 10.1 The Management Company has charged its remuneration at the following rates:

Effective Dates	Applicable Rates
From July 1, 2019 till July 11, 2019	2% per annum of average daily net assets
From July 12, 2019 till December 31, 2020	1.5% per annum of average daily net assets

The remuneration is payable to the Management Company monthly in arrears.

- 10.2 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, 2020: 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, 2020 would have been higher by Re 0.0261 (June 30, 2020: Re 0.0186) per unit.

- 10.3 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	Maximum Capping
From July 1, 2019 till Oct 26, 2020	0.1% per annum of average daily net assets
From Oct 27, 2020 till Dec 31, 2020	0.15% per annum of average daily net assets

- 10.4 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	Maximum Capping
From July 1, 2019 till July 11, 2019	0.4% per annum of average daily net assets
From July 12, 2019 till December 16, 2019	1.15% per annum of average daily net assets
From December 17, 2019 till May 10, 2020	1.35% per annum of average daily net assets
From May 11, 2020 till Oct 26, 2020	1.5% per annum of average daily net assets
From Oct 27, 2020 till Dec 31, 2020	1.9% per annum of average daily net assets



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		----- Rupees in 000 -----	
11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE	Note	
	Trustee remuneration payable	11.1	103
	Sindh sales tax payable on remuneration of the Trustee		114
		<u>13</u>	<u>15</u>
		<u>116</u>	<u>129</u>
11.1	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 million		0.20% per annum of net assets
	- on an amount exceeding Rs 1,000 million		Rs 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rs 1,000 million.
		(Un-audited) December 31, 2020	(Audited) June 30, 2020
12	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	----- Rupees in 000 -----	
	Annual fee payable	12.1	63
			202
12.1	The Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets (June 30, 2020: 0.02% per annum of the average annual net assets) during the current period.		
		(Un-audited) December 31, 2020	(Audited) June 30, 2020
13	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	
	Provision against Sindh Workers' Welfare Fund	13.1	35,059
	Charity payable	13.2	31,533
	Shari'ah advisor fee payable		2,625
	Auditors' remuneration payable		40
	Withholding tax payable		148
	Legal and professional charges payable		381
	Settlement charges payable		43
	Bank charges payable		58
	Brokerage charges payable		90
			37
			15
			7
			54
		<u>38,827</u>	<u>34,985</u>
13.1	As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested		



that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re. 0.6454 (June 30, 2020: Re 0.4138) per unit.

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

During the current period, non Shari'ah compliant income amounting to Rs 0.53 million (June 30, 2020: Rs 1.247 million) was charged in the books of the Fund. This will be distributed as charity after the approval of the Shari'ah advisor. The dividend income is recorded net of charity portion.

14 CONTINGENCIES AND COMMITMENTS

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

15 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.

16 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, 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.

17 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.

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2020 is 5.29% (June 30, 2020: 4.1%) which includes 1.37% (June 30, 2020: 0.48%) representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, 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.



19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** 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, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.
- 19.2** Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. 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.
- 19.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.
- 19.4** Details of transactions with related parties / connected persons during the period are as follows:

	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- Rupees in 000 -----	
NBP Fund Management Limited - Management Company		
Remuneration of NBP Fund Management Limited	4,696	8,844
Sindh sales tax on remuneration of the Management Company	610	1,150
Allocated expenses	367	578
Selling and marketing expenses	5,124	6,490
NAFA Islamic Active Allocation Fund - I (Plan I)		
Units issued during the period - 49,838 (2019: 1,977,653)	500	16,205
Units redeemed during the period - 677,383 (2019: 9,722,455)	6,873	101,168
NAFA Islamic Active Allocation Fund - I (Plan II)		
Units issued during the period - 131,512 (2019: 1,389,028)	1,400	15,004
Units redeemed during the period - 769,672 (2019: Nil)	7,493	-
NAFA Islamic Active Allocation Fund - I (Plan III)		
Units issued during the period - 712,308 (2019: 5,790,217)	7,300	47,531
Units redeemed during the period - 4,015,357 (2019: 21,249,216)	40,598	223,092
NAFA Islamic Active Allocation Fund - I (Plan IV)		
Units issued during the period - 421,966 (2019: 2,943,327)	4,300	24,093
Units redeemed during the period - 4,217,431 (2019: 6,319,853)	42,002	65,922



	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- Rupees in 000 -----	
NAFA Islamic Active Allocation Fund - I (Plan V)		
Units issued during the period - Nil (2019: 2,888,553)	-	23,747
Units redeemed during the period - 5,294,244 (2019: 11,952,498)	54,125	112,761
NAFA Islamic Active Allocation Fund - II (Plan VI)		
Units issued during the period - 465,932 (2019: 2,313,713)	4,700	19,029
Units redeemed during the period - 4,147,043 (2019: 2,547,831)	42,058	24,711
NAFA Islamic Active Allocation Fund - II (Plan VII)		
Units issued during the period - 79,947 (2019: 833,129)	900	7,031
Units redeemed during the period - 1,183,340 (2019: 3,333,742)	12,006	28,235
NAFA Islamic Active Allocation Fund - II (Plan VIII)		
Units issued during the period - 143,915 (2019: 12,396,614)	1,500	121,400
Units redeemed during the period - 6,658,147 (2019: Nil)	68,227	-
NAFA Islamic Capital Preservation Plan I		
Units issued - 2,062,701 (2019: 14,497,130)	19,240	134,256
Units redeemed - 1,479,963 (2019: 5,944,850)	15,200	56,973
NAFA Islamic Capital Preservation Plan II		
Units issued - 2,851,560 (2019: 7,395,756)	29,052	68,515
Units redeemed - 954,302 (2019: 4,663,701)	9,800	40,671
NAFA Islamic Capital Preservation Plan III		
Units issued - 1,239,049 (2019: 7,092,491)	12,603	65,658
Units redeemed - 368,686 (2019: 5,046,401)	3,800	43,061
NAFA Islamic Capital Preservation Plan IV		
Units issued - Nil (2019: 1,890,694)	-	19,029
Units redeemed - 91,674 (2019: 2,049,988)	818	17,170
NBP Islamic Capital Preservation Plan V		
Units issued - Nil (2019: 1,664,768)	-	15,633
Units redeemed - 189,245 (2019: 2,425,509)	1,688	23,105



	(Un-audited)	
	Half year ended	
	December 31,	
	2020	2019
	----- Rupees in 000 -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	626	1,065
Sindh sales tax on remuneration of the Trustee	81	138
Settlement charges	15	71
Bank Islami Pakistan Limited - common directorship		
Profit on bank balances	637	3,450
The Hub Power Company Limited - common directorship**		
Shares purchased - 35,000 (2019: Nil)	2,910	-
Shares sold - 53,500 (2019: Nil)	4,392	-
Dividend income	2,137	-
Cherat Packaging Limited - common directorship*		
Shares sold - Nil (2019: 85,000)	-	4,755
Bonus issue - Nil (2019: 4,420)	-	-
Dividend income	-	111
International Industries Limited - common directorship*		
Shares sold - Nil (2019: 45,000)	-	3,065
Bonus issue - Nil (2019: 590)	-	-
Dividend income	-	18
International Steels Limited - common directorship		
Shares purchased - Nil (2019: 137,000)	-	7,031
Shares sold - 81,100 (2019: 62,500)	5,605	2,378
Dividend income	-	120
Taurus Securities Limited - subsidiary of parent company		
Brokerage expense	33	129
National Clearing Company of Pakistan Limited - common directorship		
NCCPL charges	148	447



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

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- Rupees in 000 -----		
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	774	858
Sindh sales tax on remuneration of the Management Company	101	112
Federal Excise Duty on remuneration of the Management Company	1,420	1,420
Selling and marketing expense	2,650	2,476
Allocated expenses payable	202	172
NAFA Islamic Active Allocation Fund I (Plan I)		
Units held - 1,012,565 (June 2020: 1,640,110)	11,427	14,278
NAFA Islamic Active Allocation Fund I (Plan II)		
Units held - 1,447,388 (June 2020: 2,085,547)	16,333	18,156
NAFA Islamic Active Allocation Fund I (Plan III)		
Units held - 8,440,323 (June 2020: 11,743,371)	95,247	102,234
NAFA Islamic Active Allocation Fund I (Plan IV)		
Units held - 8,623,627 (June 2020: 12,419,093)	97,316	108,117
NAFA Islamic Active Allocation Fund I (Plan V)		
Units held - 6,774,704 (June 2020: 12,068,948)	76,451	105,069
NAFA Islamic Active Allocation Fund II (Plan VI)		
Units held - 9,070,972 (June 2020: 12,752,082)	102,364	111,016
NAFA Islamic Active Allocation Fund II (Plan VII)		
Units held - 2,050,139 (June 2020: 3,153,532)	23,135	27,454
NAFA Islamic Active Allocation Fund II (Plan VIII)		
Units held - 4,263,447 (June 2020: 10,777,679)	48,112	93,827
Payable against redemption of units	-	13,107
NAFA Islamic Capital Preservation Plan I		
Units held - 6,438,636 (June 2020: 5,855,899)	72,659	50,980
NAFA Islamic Capital Preservation Plan II		
Units held - 4,400,924 (June 2020: 2,503,667)	49,664	21,796



	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- Rupees in 000 -----	
NAFA Islamic Capital Preservation Plan III		
Units held - 1,800,794 (June 2020: 930,431)	20,322	8,100
NAFA Islamic Capital Preservation Plan IV		
Units held - Nil (June 2020: 91,674)	-	798
NBP Islamic Capital Preservation Plan V		
Units held - Nil (June 2020: 189,245)	-	1,648
Central Depository Company of Pakistan Limited - the trustee		
Trustee fee payable	103	114
Settlement charges payable	9	13
Sindh sales tax payable on remuneration of the Trustee	13	15
Security deposit	100	100
BankIslami Pakistan Limited - common directorship		
Bank balances	8,932	35,814
Profit receivable	109	167
Taurus Securities Limited - subsidiary of parent company		
Brokerage payable	1	3
International Steels Limited - common directorship		
Shares held - Nil (June 2020: 81,100)	-	4,189
National Clearing Company of Pakistan Limited - common directorship		
Security Deposit	2,500	2,500
NCCPL charges payable	28	41
Hub Power Company Limited - common directorship		
Shares held - 534,212 (June 2020: 552,712)	42,377	40,072

* 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, 2020.

** Prior year comparative has not been presented as the person was not a related party / connected person of the Fund as at December 31, 2019.

20 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.

20.1 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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

----- Un-audited -----				
----- As at December 31, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in 000-----				
ASSETS				
Investments - at fair value through profit or loss				
Listed equity securities	<u>595,694</u>	<u>-</u>	<u>-</u>	<u>595,694</u>
----- Audited -----				
----- As at June 30, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in 000-----				
ASSETS				
Investments - at fair value through profit or loss				
Listed equity securities	<u>643,918</u>	<u>-</u>	<u>-</u>	<u>643,918</u>



21 GENERAL

- 21.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.
- 21.2 No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

22 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 26, 2021.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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