



NBP
PAKISTAN GROWTH
EXCHANGE TRADED FUND

QUARTERLY REPORT
SEPTEMBER 30, 2021

AM1
Rated by PACRA



MISSION STATEMENT

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



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

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

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

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

Human Resource Committee

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

Strategy & Business Planning Committee

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

Trustee

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

Bankers to the Fund

Habib Metropolitan Bank Limited
JS Bank Limited



Auditors

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

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 unaudited condensed interim financial statements of **NBP Pakistan Growth Exchange Traded Fund (NBPGETF)** for the quarter ended September 30, 2021.

Fund's Performance

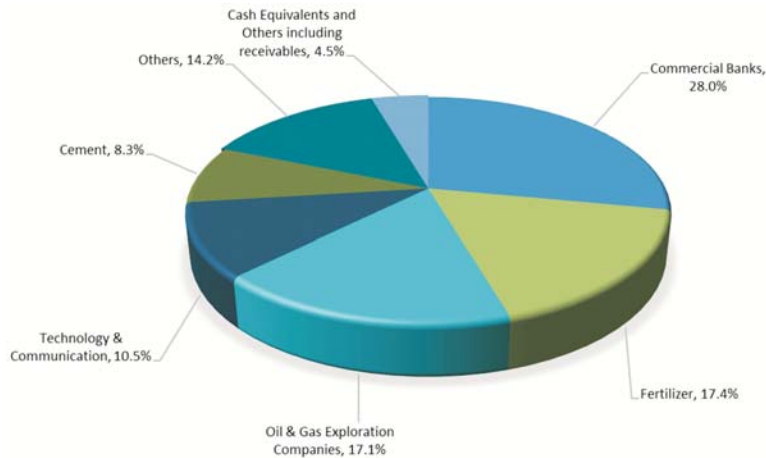
After delivering a robust 38% return in FY21, the stock market lost positive momentum as the benchmark KSE 100 Index fell by 5.2% during 1QFY22. In the first two months of the outgoing quarter, range bound activity was witnessed at the local bourse amid thin trading volumes and lackluster investors' participation. During the month of September, the market came under severe selling pressure with KSE 100 Index slumping by 5.3%.

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

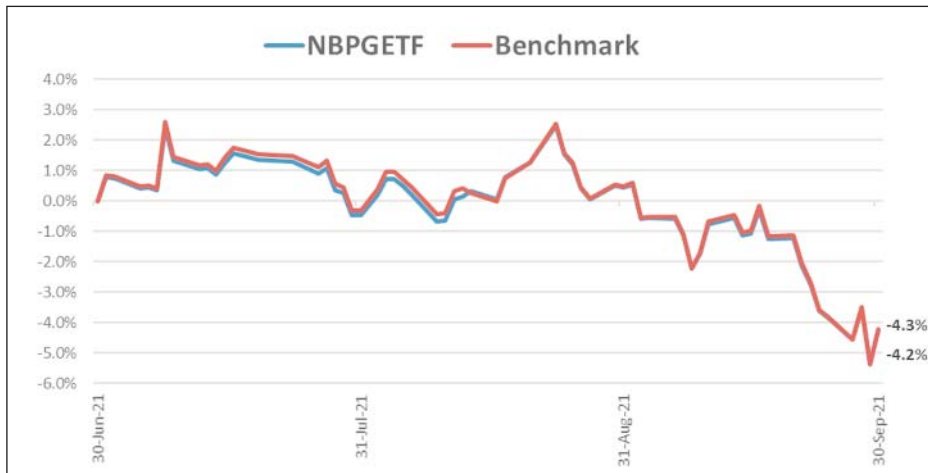
Looking at the sector wise performance of the market, Automobile Assemblers and Accessories, Cements, Engineering, Insurance, Oil & Gas Exploration and Marketing Companies, Paper & Board, Refineries, and Transport sectors underperformed the market, while Chemicals, Commercial Banks, Fertilizers, Food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

The size of NBP Pakistan Growth Exchange Traded Fund has decreased from Rs. 62 million to Rs. 58 million during the period, i.e., a decrease of 5%. During the period, the unit price of NBP Pakistan Growth Exchange Traded Fund (NBPGETF) has decreased from Rs. 10.9271 on June 30, 2021 to Rs. 10.4626 on September 30, 2021, thus showing a decrease of 4.3%. The Benchmark for the same period decreases by 4.2%. Thus, the Fund has underperformed its Benchmark by 0.1% during the period under review Tracking error for the period was 0.1%. Since inception the NAV of the Fund has increased from Rs. 9.3352 (Ex-Div) on October 05, 2020 to Rs 10.4626 on September 30, 2021, thus showing an increase of 12.1%. During the said period, the Benchmark increased by 15.3%, translating into underperformance of 3.2%. This performance is net of management fee and all other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is one-off event and shall not be repeated in the future.

NBP Pakistan Growth Exchange Traded Fund has incurred a loss of Rs. 2.248 million during the period. After deducting total expenses of Rs. 0.344 million, the total loss is Rs. 2.592 million. The asset allocation of the Fund as on September 30, 2021 is as follows:



NBP-GETF Performance versus Benchmark



Acknowledgement

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

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

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: October 29, 2021
Place: Karachi.



ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2021ء کو ختم ہونے والی پہلی سہ ماہی کے لئے NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ (NBPGETF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

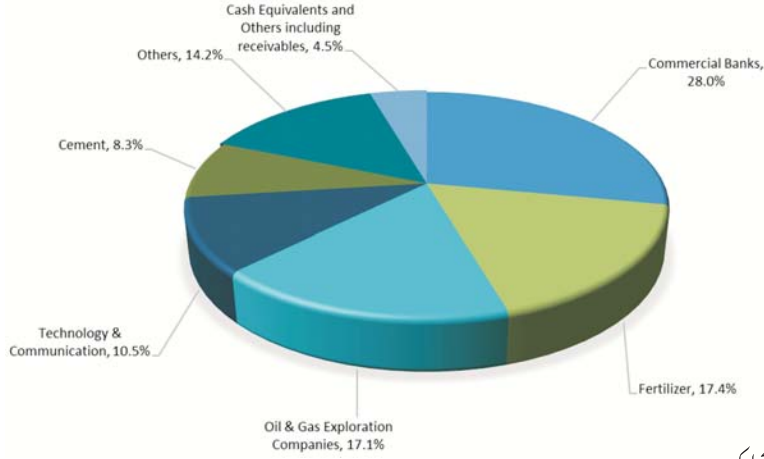
مالی سال 2021 میں 38 فیصد کا بھر پور منافع دینے کے بعد، اسٹاک مارکیٹ کی مثبت رفتار کم ہو گئی جیسا کہ مالی سال 22 کی پہلی سہ ماہی کے دوران بیچ مارک KSE-100 انڈیکس میں 5.2 فیصد کی کمی ہوئی۔ رواں سہ ماہی کے پہلے دو ماہ میں، ریٹج باؤنڈ سرگرمی میں مقامی سطح پر تجارتی حجم اور سرمایہ کاروں کی شرکت کی کمی دیکھی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

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

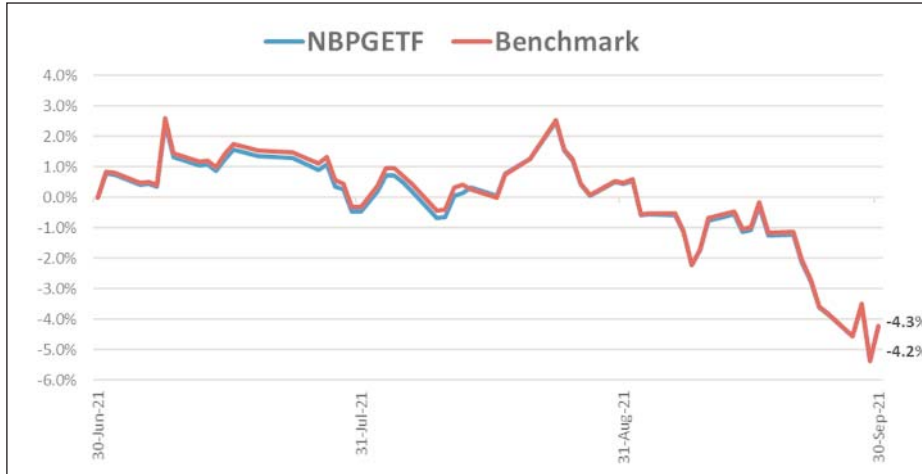
مارکیٹ کی سیکٹرز اور کارکردگی کو دیکھتے ہوئے، آٹوموبائل اسمبلر ز اور ایئر سیریز، سیمنٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس ایکسپلوریشن اور مارکیٹنگ کمپنیاں، کاغذ اور بورڈ، کیفٹسریز اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے اتر کارکردگی کا مظاہرہ کیا جبکہ کیمیکلز، کمرشل بینک، کھاد، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹریکس، پاور جنریشن اور ڈسٹری بیوشن، ٹیکسٹائل اور ٹیکسٹائل کمپوزٹس سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ شراکت دار سرگرمی کے لحاظ سے، افراد، دیگر آرگنائزیشن، اور بینک/DFIs بالترتیب 33 بلین امریکی ڈالر، 27 بلین امریکی ڈالر اور 21 بلین امریکی ڈالر کی خالص آمد کے ساتھ سب سے بڑے خریدار رہے۔ دوسری طرف، غیر ملکی 83 بلین امریکی ڈالر کے خالص اخراج کے ساتھ مارکیٹ میں سب سے بڑے فروخت کنندگان تھے۔

موجودہ مدت کے دوران NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کا سائز 62 بلین روپے سے کم ہو کر 58 بلین روپے ہو گیا یعنی 5% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کے پورٹ کی قیمت 30 جون 2021 کو 10.9271 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.4626 روپے ہو گئی اسی مدت کے دوران 4.3% کی کمی ہوئی۔ اسی مدت میں بیچ مارک 4.2 فیصد سے کم ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 0.1% اتر کارکردگی ظاہر کی۔ اپنے آغاز سے فنڈ کا NAV 105 اکتوبر 2020 کو (Ex-Div) 9.3352 روپے سے بڑھ کر 30 ستمبر 2021 کو 10.4626 روپے ہو گیا، لہذا 12.1% کا اضافہ ظاہر کیا۔ موجودہ مدت کے دوران، بیچ مارک 15.3% سے بڑھا، لہذا 3.2% کی اتر کارکردگی کا مظاہرہ کیا۔ فنڈ کی یہ کارکردگی بیٹجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروویڈنٹ رپورس کر دی گئی۔ اس پروویڈنٹ کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

NBP پاکستان گروتھ ایکسچینج ٹریڈڈ فنڈ کو سال کے دوران 2.248 بلین روپے کا نقصان ہوا ہے۔ 0.344 بلین روپے کے اخراجات منہا کرنے کے بعد، مجموعی نقصان 2.592 بلین روپے ہے۔ 30 ستمبر 2021 کے مطابق NBPGETF کی ایسٹ ایلیکیشن حسب ذیل ہے:



NBPGETF کی کارکردگی 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 پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈریج میجمنٹ 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 فرسٹی 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 فونڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 29 اکتوبر 2021

مقام: کراچی



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

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	(Rupees in '000)	
ASSETS			
Bank balances		2,399	2,541
Investments	4	55,761	59,606
Dividend receivable		620	216
Other receivables		69	63
Total assets		58,849	62,426
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		62	65
Payable to Central Depository Company of Pakistan Limited - Trustee		6	6
Payable to the Securities and Exchange Commission of Pakistan		3	9
Payable against purchase of investments		-	211
Accrued expenses and other liabilities		397	506
Total liabilities		468	797
NET ASSETS		58,381	61,629
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		58,381	61,629
CONTINGENCIES AND COMMITMENTS	6		
		Number of units	
NUMBER OF UNITS IN ISSUE		5,580,000	5,640,000
		Rupees	
NET ASSET VALUE PER UNIT		10.4626	10.9271

The annexed notes 1 to 11 form an integral part of this condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	Quarter Ended September 30, 2021 (Rupees in '000)
INCOME		
Profit on bank deposits		32
Dividend income		1,056
		1,088
(loss) on sale of investments - net		(5)
Unrealised diminution on re-measurement of investments classified as financial assets ' at fair value through profit or loss' - net		(3,524)
		(3,529)
Total loss		(2,441)
EXPENSES		
Remuneration of NBP Fund Management Limited - Management Company		115
Sindh Sales Tax on remuneration of the Management Company		15
Remuneration of Central Depository Company of Pakistan Limited - Trustee		15
Sindh Sales Tax on remuneration of the Trustee		2
Annual fee of the Securities and Exchange Commission of Pakistan		3
Annual fee		5
Securities transaction cost		6
Auditors' remuneration		101
Legal and professional charges		45
Settlement and bank charges		27
Printing charges		10
Total operating expenses		344
		(2,785)
Net loss from operating activities		(2,785)
Element of (losses) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		(5)
Reversal against Sindh Workers' Welfare Fund	5	198
Net (loss) for the period before taxation		(2,592)
Taxation	7	-
Net (loss) for the period after taxation		(2,592)
Accounting income available for distribution:		
- Relating to capital gains		-
- Excluding capital gains		-
		-

The annexed notes 1 to 11 form an integral part of this 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021
	(Rupees in '000)
Net (loss) for the period after taxation	(2,592)
Other comprehensive income for the period	-
Total comprehensive (loss) for the period	<u><u>(2,592)</u></u>

The annexed notes 1 to 11 form an integral part of this 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021		
	Capital value	Undistributed income	Total
	(Rupees in '000)		
Net assets at beginning of the period	56,400	5,229	61,629
Issuance of 20,000 units			
- Capital value	219	-	219
- Element of Income	1	-	1
Total proceeds on issuance of units	220	-	220
Redemption of 80,000 units			
- Capital value	(875)	-	(875)
- Element of loss	(6)	-	(6)
Total payments on redemption of units	(881)	-	(881)
Element of (losses) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	5	-	5
Total comprehensive (loss) for the period	-	(2,592)	(2,592)
Net assets at end of the period (un-audited)	55,744	2,637	58,381
Undistributed income brought forward forward:			
- Realised income		757	
- Unrealised income		4,472	
		<u>5,229</u>	
Accounting income available for distribution:			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Net (loss) for the period after taxation		(2,592)	
Undistributed income carried forward		<u>2,637</u>	
Undistributed income carried forward:			
- Realised income		6,161	
- Unrealised (loss)		(3,524)	
		<u>2,637</u>	
			(Rupees)
Net assets value per unit at beginning of the period			<u>10.9271</u>
Net assets value per unit at end of the period			<u>10.4626</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Quarter Ended
September 30,
2021

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net (loss) for the period before taxation (2,592)

Adjustments

Profit on bank deposits	(32)
Dividend income	(1,056)
Unrealised diminution on re-measurement of investments classified as financial assets ' at fair value through profit or loss' - net	3,524
Element of (losses) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	5
Reversal against Sindh Workers' Welfare Fund	(198)
	2,243

Decrease in assets

Other receivables	(6)
Investments - net	321
	315

Increase in liabilities

Payable to NBP Fund Management Limited - Management Company	(3)
Payable to Central Depository Company of Pakistan Limited - Trustee	-
Payable to the Securities and Exchange Commission of Pakistan	(6)
Accrued expenses and other liabilities	89
	80

Dividend income received	652
Profit received on bank deposits	32

Net cash generated from operating activities **730**

CASH FLOWS FROM FINANCING ACTIVITIES

Amount received against issuance of units	220
Amount paid against redemption of units	(1,092)
Net decrease in cash and cash equivalents during the period	(142)

Cash and cash equivalents at the beginning of the period **2,541**

Cash and cash equivalents at the end of the period **2,399**

The annexed notes 1 to 11 form an integral part of this condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Pakistan Growth Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 8, 2020 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 3, 2020.

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

The Fund has been categorized as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of NBP Pakistan Growth Index that has been constituted and is maintained by the Management Company and comprises of 15 equity securities selected with high consideration towards market capitalisation and traded value.

The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.

The Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed an asset manager rating of AM1 as at June 23, 2021 to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

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

The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on Pakistan Stock Exchange (PSX) Limited.

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

2 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 Financial Reporting Standards (IFRS) 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 the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
4 INVESTMENTS	Note	--(Rupees in '000)--	
At fair value through profit or loss			
Quoted equity securities	4.1	<u>55,761</u>	<u>59,606</u>



4.1 Investments in equity securities - listed

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless otherwise stated.

Name of the Investee Company	----- Number of shares held -----					Market value	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2021	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at September 30, 2021		Net assets of the Fund	Total market value of investments	
----- % -----									
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited *	18,612	625	-	265	18,972	3,813	6.53%	6.84%	-
						3,813	6.53%	6.84%	
OIL AND GAS EXPLORATION COMPANIES									
Oil and Gas Development Company Limited *	47,376	1,845	-	675	48,546	4,068	6.97%	7.30%	-
Pakistan Oilfields Limited *	7,332	25	-	661	6,696	2,513	4.30%	4.51%	-
Pakistan Petroleum Limited *	56,964	182	-	11,948	45,198	3,386	5.80%	6.07%	-
						9,967	17.07%	17.88%	
FERTILIZERS									
Engro Corporation Limited *	16,356	57	-	789	15,624	4,371	7.49%	7.84%	-
Engro Fertilizer Limited *	40,044	134	-	5,024	35,154	2,471	4.23%	4.43%	-
Fauji Fertilizer Company Limited *	32,148	673	-	457	32,364	3,303	5.66%	5.92%	-
						10,145	17.38%	18.19%	
CEMENT									
Lucky Cement Limited *	6,768	24	-	96	6,696	4,841	8.29%	8.68%	-
						4,841	8.29%	8.68%	
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited *	59,220	3,005	-	845	61,380	4,513	7.73%	8.09%	-
						4,513	7.73%	8.09%	
COMMERCIAL BANKS									
Meezan Bank Limited *	19,176	95	2,762	829	21,204	2,967	5.08%	5.32%	-
Habib Bank Limited *	41,172	705	-	585	41,292	4,515	7.73%	8.10%	-
MCB Bank Limited *	18,612	1,743	-	267	20,088	3,028	5.19%	5.44%	-
Bank ALHabib Limited *	29,892	2,342	-	428	31,806	2,199	3.77%	3.94%	-
United Bank Limited *	28,200	2,895	-	405	30,690	3,639	6.23%	6.53%	-
						16,348	28.00%	29.33%	
TECHNOLOGY & COMMUNICATION									
TRG Pakistan Limited	34,404	4,035	-	495	37,944	6,134	10.51%	11.00%	0.01%
						6,134	10.51%	11.00%	
Total - September 30, 2021						55,761	95.51%	100%	
Carrying value as at September 30, 2021						59,285			

* Nil figure due to rounding off difference.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

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

Provisioning against Sindh Workers' Welfare Fund by NBP PAKISTAN GROWTH EXCHANGE TRADED FUND amounting to Rs. 0.20 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the NBP PAKISTAN GROWTH EXCHANGE TRADED FUND by 0.33% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

6 CONTINGENCIES AND COMMITMENTS

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

7 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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.

8 TOTAL EXPENSE RATIO

The annualized total expense ratio (TER) of the Fund based on the current period is 2.24% which includes 0.13% representing Government Levies and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorized as an "Index" scheme.

9 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

9.1 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) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

9.2 Transactions with connected persons / related parties are 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 connected persons / related parties are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

9.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

9.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

9.5 **Details of transactions with related parties / connected persons during the period are as follows:**

	(Un-audited) Quarter Ended September 30, 2021 (Rupees in '000)
NBP Fund Management Limited - Management Company	
Remuneration of NBP Fund Management Limited - Management Company	115
Sindh Sales Tax on remuneration of the Management Company	15
Central Depository Company of Pakistan Limited - Trustee	
Remuneration of Central Depository Company of Pakistan Limited - Trustee	15
Sindh Sales Tax on remuneration of the Trustee	2
Settlement charges	26
Taurus Securities Limited - subsidiary of parent company	
Brokerage expense	1
Fauji Fertilizer Company Limited - common directorship	
Purchase of 673 shares	72
Sale of 457 shares	49
Dividend income	84
JS Global Capital Limited - unit holder with more than 10% holding	
Brokerage expense	1
Units purchased during the period: 20,000	220
Units redeemed during the period: 80,000	880

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
9.6 Amounts / balances outstanding as at period end are as follows		
(Rupees in '000)		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	37	40
Sindh Sales Tax on remuneration of the Management Company	5	5
Other payable to Management Company	20	20
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	5	5
Sindh Sales Tax payable on Trustee remuneration	1	1
Settlement charges payable	51	27



	(Un-audited) September 30, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
The Hub Power Company Limited * Shares held - Nil shares (2021 : 59,220 shares)	-	4,718
Fauji Fertilizer Company Limited - common directorship Shares held - 32,364 shares (2021 : 32,148 shares)	3,303	3,411
JS Global Capital Limited - unit holder with more than 10% holding Units held: 5,000,000 units (2021: 5,060,000 units)	52,313	55,291
MRA Securities Limited - unit holder with more than 10% holding Units held: 580,000 units (2021: 580,000 units)	6,068	6,338

* Current period figure has not been shown as the company was not a related party / connected person as at September 30, 2021.

10 DATE OF AUTHORISATION FOR ISSUE

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

11 GENERAL

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

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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Scheme No.5, Clifton, Karachi.

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