

NBP BALANCED FUND

AM1
Rated by PACRA

QUARTERLY REPORT
SEPTEMBER 30, 2021



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

Allied Bank Limited	MCB Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Al Habib Limited	Zarai Taraqati Bank Limited
Bank Islami Pakistan Limited	Dubai Islamic Bank Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Summit Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
JS Bank Limited	



Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block 4, 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
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 Balanced Fund (NBF)** 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.

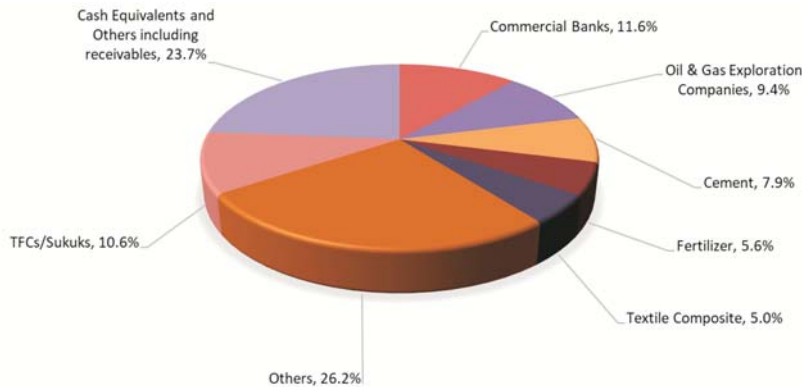
Looking at the sector wise performance of the market, Automobile Assemblers and Accessories, Cements, Engineering, Insurance, Oil & Gas Exploration and Marketing Companies, Paper & Board, Refineries, and Transport sectors underperformed the market, while Chemicals, Commercial Banks, Fertilizers, Food & 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.

During 1QFY22, lackluster activity was witnessed in the corporate debt market as there was no fresh issuance of corporate debt securities. In the secondary market, the trading activity remained thin with the trade value of Rs. 2.1 billion in 1QFY22 versus Rs. 6.7 billion in 1QFY21. Inflation as measured by the CPI clocked-in at 9.0% on year-on-year basis in September 2021 as compared to an increase of 8.4% in the previous month and 9.0% in September 2020. Amid sharp spike in prices of food component, CPI increased by 2.1% on a month-on-month basis in September 2021 as compared to an increase of 1.5% in September 2020. After maintaining status quo for about fifteen months, in its meeting held on September 20th, the SBP raised the Policy Rate by 25 basis points to 7.25%. While acknowledging the needed appropriate policy mix, the SBP cited that "looking ahead, in the absence of unforeseen circumstances, the MPC expects monetary policy to remain accommodative in the near term, with possible further gradual tapering of stimulus."

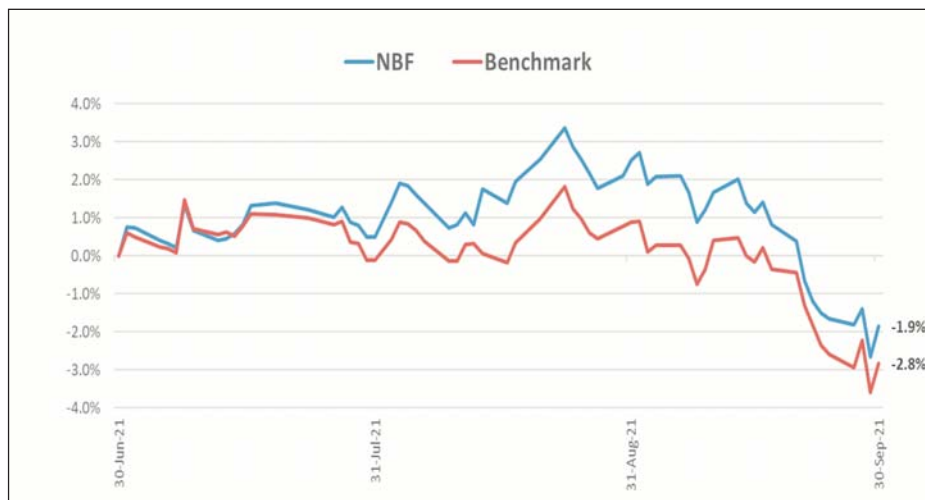
During the period under review, sovereign yields responded to the reversal of monetary easing cycle as T-Bills yields increased by 31 bps, 46 bps, and 92 bps for 3-month, 6-month, and 12-month tenures owing to the increase in the Policy Rate. SBP held seven T-Bills auctions during the period, realizing a total of Rs. 4.3 trillion against the maturity of Rs. 4.1 trillion and target of Rs. 4.7 trillion.

The size of NBP Balanced Fund has decreased from Rs. 1,608 million to Rs. 1,541 million during the period, i.e. a decrease of 4%. During the period, the unit price of NBP Balanced Fund (NBF) has decreased from Rs. 19.3595 on June 30, 2021 to Rs. 18.9994 on September 30, 2021, thus showing a decrease of 1.9%. The Benchmark decrease during the same period was 2.8%. Thus, the Fund has outperformed its Benchmark by 0.9% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.4582 (Ex-Div) on January 19, 2007 to Rs. 18.9994 on September 30, 2021, thus showing an increase of 449.4%. During the said period, the Benchmark increased by 227.4%, translating into outperformance of 222.0%. 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 is not likely to be repeated in the future.

NBP Balanced Fund incurred a loss of Rs. 12.07 million during the period. After deducting total expenses of Rs. 16.26 million, the total loss is Rs. 28.33 million. The asset allocation of the Fund as on September 30, 2021 is as follows:



NBF 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 سہ ماہی کے لئے NBP: بیلنسڈ فنڈ (NBF) 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 بیٹج مارک KSE-100 انڈیکس میں 5.2 فیصد 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 مہینے کے دوران، مارکیٹ KSE 100 انڈیکس میں 5.3 فیصد کمی کے ساتھ شدید فروختی دباؤ میں آگئی۔

لسٹڈ کارپوریٹ سیکٹرز کی طرف سے جون کی مدت کے لیے ریکارڈ منافع اور ڈویڈنڈز کے باوجود، سہ ماہی کے دوران مارکیٹ کی ناقص کارکردگی درج ذیل عوامل سے منسوب کی جاسکتی ہے۔ پڑوسی افغانستان میں پاکستان پر کمانڈ پھیلنے والے اثرات کے ساتھ سرمایہ کار پاکستان 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 ختم دیا ہے۔ کھپت کی وجہ سے طلب کے دباؤ پر قابو پانے کے لیے، اسٹیٹ بینک کے 20 ستمبر 2021 کو منعقدہ اپنے ایف پی سی اجلاس میں پالیسی کی شرح میں 0.25 فیصد اضافے کے فیصلے کو بھی مارکیٹ میں نہیں سراہا گیا۔ مارکیٹ چھوٹوں کے مطابق، انڈیکس میں مسلسل کمی کے بعد مارجن کا لز وصول کرنے والے ریٹیل سرمایہ کاروں کی لیوریجڈ 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 روٹن ڈیجیٹل اکاؤنٹ (RDA) میں 849 بلین امریکی ڈالر کی ریکارڈ آمد ہوئی ہے، جس سے مجموعی آمد 2.4 بلین ڈالر اور SDR ایلوکیشن 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 اور ایسیریز، سینٹ، انجینئرنگ، انشورنس، آئل اینڈ گیس ایکسپلوریشن اور مارکیٹنگ کمپنیاں، کاغذ اور بورڈ، کیفٹریز اور ٹرانسپورٹ سیکٹرز نے مارکیٹ سے اہتر کارکردگی کا مظاہرہ کیا جبکہ کیمیکلز، کمرشل بینک، کھاد، خوراک اور ذاتی نگہداشت، گلاس اینڈ سٹراس، پاور جزیشن اور ڈسٹری بیوشن، بیکنالوجی اور ٹیکسٹائل کمپوزٹس سیکٹرز نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ شرائکت 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۔

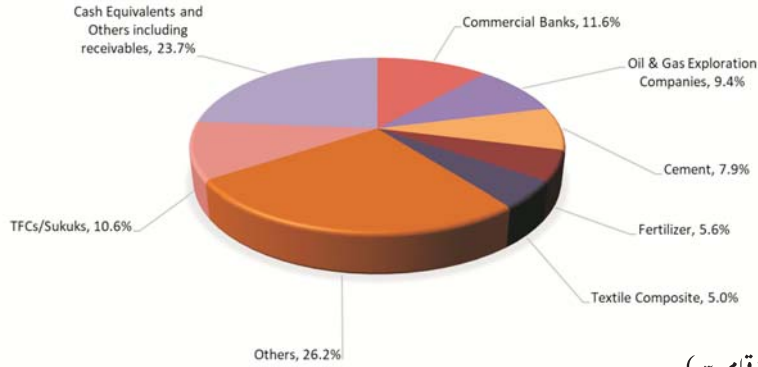
مالی سال 22 کی پہلی سہ ماہی کے دوران، کارپوریٹ ڈیٹ مارکیٹ میں ناقص سرگرمی دیکھی گئی کیونکہ کارپوریٹ ڈیٹ سیکورٹیز کا کوئی نیا اجراء نہیں ہوا۔ ثانوی منڈی میں، تجارتی سرگرمی معمولی طور پر کم رہی جس کی تجارتی قدر مالیاتی سال 2021ء کی پہلی سہ ماہی میں 6.7 بلین روپے کے مقابلے میں مالیاتی سال 2022ء کی پہلی سہ ماہی میں 2.1 بلین روپے رہی۔ CPI کی طرف سے پیمائش کردہ افراط زر گزشتہ ماہ میں 8.4% اور ستمبر 2020 میں 9.0% کے مقابلے ستمبر 2021 میں سالانہ بنیاد پر تقریباً 9.0% رہی۔ خوراک کے اجزاء کی قیمتوں میں تیز اضافے کے درمیان، CPI ستمبر 2020 میں 1.5% بڑھنے کے مقابلے ستمبر 2021 میں ماہانہ بنیاد پر 2.1% تک بڑھ گیا۔ تقریباً پندرہ ماہ تک برقرار رہنے کے بعد، 20 ستمبر کو منعقدہ اپنے اجلاس میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں 25 بیس پوائنٹس کے اضافے کے ساتھ 7.25% تک زیادہ کر دی۔ مطلوبہ موزوں پالیسی کس کو تسلیم کرتے ہوئے، اسٹیٹ بینک نے حوالہ دیا کہ "غیر متوقع حالات کی عدم موجودگی میں، آگے دیکھتے ہوئے، ایم پی سی توقع کرتی ہے کہ مالیاتی پالیسی مستقبل قریب میں موزوں رہے گی، ممکنہ طور پر مزید بتدریج کمی آئے گی۔"

زیر جائزہ مدت کے دوران، شرح منافع نے آسان مالیاتی سائیکل کی واپسی کے نتائج دیئے کیونکہ پالیسی شرح میں اضافے کی وجہ سے ٹی بلز کی پیداوار میں 3 ماہ، 6 ماہ اور 12 ماہ کے عرصہ میں بالترتیب 31 بی پی اے، 46 بی پی اے، اور 92 بی پی اے اضافہ ہوا۔ اسٹیٹ بینک پاکستان نے اس عرصے کے دوران سات ٹی بلوں کی بنیادی کمی، جس میں 4.1 ٹریلین روپے کی بیچوٹی اور 4.7 ٹریلین روپے کے ہدف کے مقابل مجموعی طور پر 4.3 ٹریلین روپے حاصل کئے۔

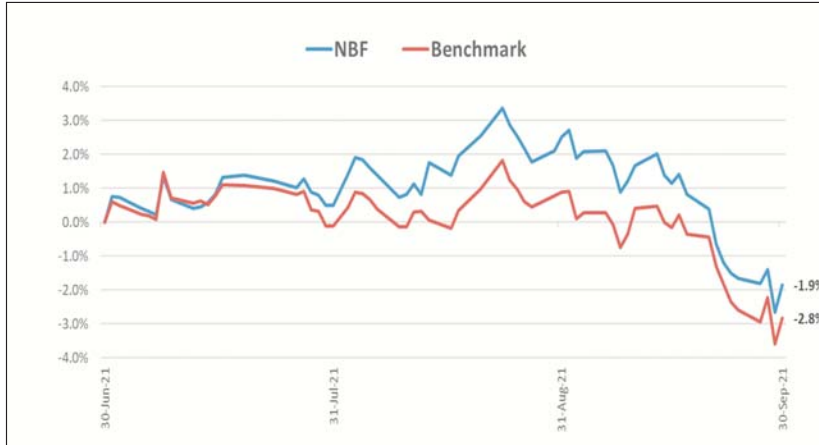
NBP: بیلنسڈ فنڈ (NBF) کا ساٹھ ماہی مدت کے دوران 1,608 ملین روپے سے کم ہو کر 1,541 ملین روپے ہو گیا، یعنی 4% کمی ہوئی۔ اس مدت کے دوران NBP: بیلنسڈ فنڈ (NBF) کے پونٹ کی قیمت 30 جون 2021 کو 19.3595 روپے سے کم ہو کر 30 ستمبر 2021 کو 18.9994 روپے پر پہنچ چکی ہے۔ لہذا 1.9% کا اضافہ دیکھنے میں آیا۔ اسی مدت کے دوران بیٹج مارک کم ہو کر 2.8% ہو گیا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے بیٹج مارک سے 0.9% بہتر کارکردگی دکھائی۔ اپنے قیام سے اب تک فنڈ کی NAV 19 جنوری 2007 کو 3.4582 روپے (EX-Div) سے بڑھ کر

30 ستمبر 2021 کو 18.9994 روپے ہوگی، لہذا 449.4% کا اضافہ ہوا۔ اس مدت کے دوران، بیسٹ مارک میں 227.4% اضافہ ہوا۔ جس کا نتیجہ فنڈ کی 222.0% بہتر کارکردگی کی صورت میں سامنے آیا ہے۔ فنڈ کی یہ کارکردگی بیسٹ مارک اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈیونگ ریپورس کردی گئی۔ اس پروڈیون کے ریپورسل 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 بیلینس فنڈ کو موجودہ ماہی کے دوران 12.07 ملین روپے کا نقصان ہوا۔ 16.26 ملین روپے کے اخراجات منہا کرنے کے بعد خالص نقصان 28.33 ملین روپے ہے۔ 30 ستمبر 2021 کے مطابق فنڈ کی ایسٹ ایلوکیشن حسب ذیل ہے:



NBF کی کارکردگی بہت بلند بیسٹ مارک (اپنے قیام سے)



اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ بیسٹ مارک لیٹیڈ

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		
Balances with banks	373,648	403,868
Investments	1,474,879	1,233,854
Dividend and profit receivable	9,749	3,436
Receivable against transfer of units	-	149
Advances, deposits, prepayments and other receivables	6,876	13,102
Total assets	1,865,152	1,654,409
LIABILITIES		
Payable to the Management Company	10,451	10,118
Payable to the Trustee	242	248
Payable to Securities and Exchange Commission of Pakistan	81	312
Payable against purchase of investment	299,043	-
Payable against transfer and redemption of units	50	82
Accrued expenses and other liabilities	14,391	35,976
Total liabilities	324,258	46,736
NET ASSETS	1,540,894	1,607,673
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,540,894	1,607,673
CONTINGENCIES AND COMMITMENTS	-	-
	-----Number of units-----	
Number of units in issue	81,102,215	83,043,193
	-----Rupees-----	
NET ASSET VALUE PER UNIT	18.9994	19.3595

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	Note ----- Rupees in '000 -----	
INCOME		
(Loss) / Gain on sale of investments - net	(1,097)	29,128
Income from term finance certificates and sukuk bonds	3,716	3,095
Income from government securities	3,801	6,727
Dividend income	15,772	3,749
Profit on bank deposits and term deposits	3,254	4,267
Unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss' - net	(57,180)	107,737
Total Income / (loss)	(31,734)	154,703
EXPENSES		
Remuneration of the Management Company	6,093	5,671
Sales tax on Remuneration of the Management Company	792	737
Accounting and operational charges to the Management Company	757	378
Selling and marketing expenses charged by the Management Company	7,194	5,671
Remuneration of the Trustee	658	630
Sales tax on Remuneration of the Trustee	86	82
Annual fee - Securities and Exchange Commission of Pakistan	81	76
Securities transaction cost	178	341
Settlement and bank charges	175	198
Annual listing fee	7	7
Auditors' remuneration	115	112
Legal fee and professional charges	45	23
Printing expenses	11	14
Fund's rating fee	67	61
Total Expenses	16,259	14,001
Net (loss) / income from operating activities	(47,993)	140,702
Reversal / (Provision) for Sindh Workers' Welfare Fund	5 19,666	(2,814)
Net (loss) / income for the period before taxation	(28,327)	137,888
Taxation	8 -	-
Net (loss) / income for the period after taxation	(28,327)	137,888
Earnings per unit	-	-
Allocation of Net income for the period:		
Net income for the year after taxation	-	137,888
Income already paid on units redeemed	-	(290.00)
Accounting income available for distribution:	-	137,598
- Relating to Capital Gains	-	136,571
- Excluding Capital Gains	-	1,027
Accounting Income available for Distribution	-	137,598

The annexed notes 1 to 13 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	----- Rupees in '000 -----	
Net (loss) / income for the period	(28,327)	137,888
Other comprehensive income		
Total comprehensive (loss) / income for the period	<u>(28,327)</u>	<u>137,888</u>

The annexed notes 1 to 13 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter Ended September 30, 2021			Quarter Ended September 30, 2020		
	Value	Undistributed income	Total	Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	865,049	742,624	1,607,673	854,689	527,030	1,381,719
Issue of 344,340 units (2020: 793,004 units)						
- Capital value	6,666	-	6,666	13,237	-	13,237
- Element of income	65	-	65	989	-	989
Total proceeds on issuance of units	6,731	-	6,731	14,226	-	14,226
Redemption of 2,285,318 units (2020: 430,837 units)						
- Capital value	(44,243)	-	(44,243)	(7,191)	-	(7,191)
- Element of loss	(940)	-	(940)	(212)	(290)	(502)
Total payments on redemption of units	(45,183)	-	(45,183)	(7,693)	(290)	(7,693)
Total comprehensive (loss) / income for the period	-	(28,327)	(28,327)	-	137,888	137,888
Net assets at end of the period	826,597	714,297	1,540,894	861,222	664,628	1,526,140
Undistributed income brought forward						
- Realised income		554,672			524,840	
- Unrealised gain		187,952			2,190	
		742,624			527,030	
Accounting income available for distribution:						
- Relating to capital gains		-			136,571	
- Excluding capital gains		-			1,027	
		-			137,598	
Net loss for the period		(28,327)			-	
Undistributed income carried forward		714,297			664,628	
Undistributed income carried forward						
- Realised income		771,477			556,891	
- Unrealised (loss) / gain		(57,180)			107,737	
		714,297			664,628	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			19.3595			16.6917
Net assets value per unit at end of the period			18.9994			18.3560

The annexed notes 1 to 13 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 QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Quarter ended September 30, 2020
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(28,327)	137,888
Adjustments		
Unrealised diminution / (appreciation) in the value of investments 'at fair value through profit or loss' - net	57,180	(107,737)
Capital loss / (gain) on sale of investments - net	1,097	(29,128)
	58,277	(136,865)
	29,950	1,023
(Increase) / Decrease in assets		
Investments	(299,302)	92,327
Dividend and profit receivable	(6,313)	(463)
Advances, deposits, prepayments and other receivables	6,226	39
	(299,389)	91,903
Increase in liabilities		
Payable to the Management Company	333	984
Payable to the Trustee	(6)	14
Payable to Securities and Exchange Commission of Pakistan	(231)	(209)
Payable against purchase of investment	299,043	-
Accrued expenses and other liabilities	(21,585)	(502)
	277,554	287
Net cash generated from operating activities	8,115	93,213
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	6,880	16,358
Payments on redemption of units	(45,215)	(7,580)
Net cash (used in) / generated from financing activities	(38,335)	8,778
Net (decrease) / increase in cash and cash equivalents during the period	(30,220)	101,991
Cash and cash equivalents at the beginning of the period	403,868	554,469
Cash and cash equivalents at the end of the period	373,648	656,460

The annexed notes 1 to 13 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 THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

The NBP Balanced Fund 'the Fund' was established under a Trust Deed executed between the NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 06 December 2006 and was authorised by the Securities and Exchange Commission of Pakistan (SECP) on 01 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The effective date of change of name of the Fund is 5 April 2019.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund classified as a "balanced scheme" by the Management Company as per the criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The core objective of the Fund is to provide its investors with a combination of capital growth and income. The Fund aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments etc.

The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' to the Management Company as on 23 June 2021, a short term performance ranking of 2 star and long term performance ranking of 4 star

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

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 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
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 declare 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 financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF ACCOUNTING POLICIES

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.

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.

4 INVESTMENTS	Investments by category	Note	September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
			Rupees in '000	
Financial assets 'at fair value through profit or loss'				
	Listed equity securities	4.1	1,012,371	1,066,890
	Term Finance certificate - listed	4.2	-	-
	Term Finance certificate - unlisted	4.3	38,687	40,769
	Sukuk bonds	4.4	125,035	126,195
	Market treasury bills	4.4.2	298,787	-
			1,474,879	1,233,854

4.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Number of shares					Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Paid up capital of the investee company
Oil & Gas Exploration Companies									
Mari Petroleum Limited	35,783	-	-	-	35,783	55,585	3.61	3.77	0.03
Oil and Gas Development Company Limited (Note 4.1.2)	511,596	-	-	-	511,596	42,872	2.78	2.91	0.01
Pakistan Oilfields Limited (Note 4.1.2)	29,528	-	-	1,500	28,028	10,521	0.68	0.71	0.01
Pakistan Petroleum Limited (Note 4.1.2)	475,342	7,200	-	-	482,542	36,147	2.35	2.45	0.02
	1,052,249	7,200	-	1,500	1,057,949	145,125	9.42	9.84	0.07



Name of the investee company	Number of shares				Market value as at Sep 30, 2021	Investment as a percentage of			
	As at July 01, 2021	Purchases during the period	Bonus / Right Issue	Sales during the period		As at Sep 30, 2021	Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000 ----- % -----									
Oil & Gas Marketing Companies									
Attock Petroleum Limited	16,261	-	-	-	16,261	4,716	0.31	0.32	0.02
Hascol Petroleum Limited	777	-	-	-	777	5	0.00	0.00	0.00
Pakistan State Oil Company Limited	142,350	-	-	-	142,350	28,611	1.86	1.94	0.03
Sui Northern Gas Pipelines	90,500	-	-	15,000	75,500	3,434	0.22	0.23	0.01
	249,888	-	-	15,000	234,888	36,765	2.39	2.49	0.06
Fertilizers									
Engro Fertilizers Limited	28,834	-	-	28,833	1	0	0.00	0.00	0.00
Engro Corporation Limited	137,319	-	-	-	137,319	38,415	2.49	2.60	0.02
Fauji Fertilizer Bin Qasim Limited	441,000	-	-	-	441,000	9,923	0.64	0.67	0.05
Fauji Fertilizer Company Limited	347,601	20,500	-	-	368,101	37,568	2.44	2.55	0.03
	954,754	20,500	-	28,833	946,421	85,906	5.58	5.82	0.10
Chemicals									
Engro Polymer & Chemicals Limited	641,123	9,500	-	-	650,623	35,830	2.33	2.43	0.07
Lotte Chemical Pakistan Ltd NC	947,500	50,000	-	-	997,500	13,955	0.91	0.95	0.07
ICI Pakistan Limited	2,400	-	-	-	2,400	1,905	0.12	0.13	-
	1,591,023	59,500	-	-	1,650,523	51,689	3.35	3.50	0.14
Cement									
Attock Cement Pakistan Limited	-	15,000	-	-	15,000	2,113	0.14	0.14	0.00
D.G. Khan Cement Pakistan Limited	91,500	-	-	35,000	56,500	4,996	0.32	0.34	0.01
Fauji Cement Company Limited	634,500	531,000	-	-	1,165,500	20,921	1.36	1.42	0.08
Lucky Cement Limited (Note 4.1.2)	87,764	-	-	4,400	83,364	60,264	3.91	4.09	0.03
Cherat Cement Co. Ltd.	68,700	-	-	68,700	-	-	-	-	-
Kohat Cement Co. Ltd.	119,450	26,400	-	-	145,850	25,077	1.63	1.70	0.07
Maple Leaf Cement Cement Factory Limited	248,319	14,500	-	25,000	237,819	8,371	0.54	0.57	0.02
	1,250,233	586,900	-	133,100	1,704,033	121,742	7.90	8.25	0.22
Automobile Parts & Accessories									
Thal Limited	5,511	-	-	-	5,511	2,140	0.14	0.15	0.01
	5,511	-	-	-	5,511	2,140	0.14	0.15	0.01
Textile Composite									
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	807,000	5,649	0.37	0.38	13.53
The Crescent Textile Mills Limited	-	12,000	-	-	12,000	281	0.02	0.02	0.01
Gul Ahmed Textile Mills Limited	318,960	-	-	-	318,960	17,482	1.13	1.19	0.07
Interloop Limited	136,418	-	-	14,000	122,418	8,712	0.57	0.59	0.01
Kohinoor Textile Mills Limited	256,113	-	-	-	256,113	17,787	1.15	1.21	0.09
Nishat (Chunian) Limited	176,000	-	-	-	176,000	8,716	0.57	0.59	0.07
Nishat Mills Limited (Note 4.1.2)	202,200	-	-	-	202,200	18,372	1.19	1.25	0.06
	1,896,691	12,000	-	14,000	1,894,691	76,999	5.00	5.22	13.84
Transport									
Pakistan National Bulk Terminal Limited	78,500	-	-	-	78,500	699	0.05	0.05	0.00
	78,500	-	-	-	78,500	699	0.05	0.05	0.00



Name of the investee company	Number of shares					Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000 ----- % -----									
Engineering									
Amrell Steels Limited	40,000	-	-	-	40,000	1,566	0.10	0.11	0.00
Agha Steel Limited	366,000	-	-	154,000	212,000	5,828	0.38	0.40	0.04
Aisha Steel Limited	34,000	16,000	-	-	50,000	1,041	0.07	0.07	0.01
International Industries Limited	4,600	-	-	-	4,600	767	0.05	0.05	0.00
International Steels Limited	25,600	4,000	-	-	29,600	2,256	0.15	0.15	0.01
Ittefaq Iron Industries	-	-	-	-	-	-	-	-	-
Mughal Iron & Steel Industries	359,600	23,000	-	-	382,600	37,349	2.42	2.53	0.15
	829,800	43,000	-	154,000	718,800	48,807	3.17	3.31	0.21
Power Generation & Distribution									
The Hub Power Company Limited	664,415	-	-	-	664,415	48,854	3.17	3.31	0.05
Lalpir Power Limited	268,000	-	-	-	268,000	4,205	0.27	0.29	0.07
Pakgen Power Limited	156,000	-	-	-	156,000	3,805	0.25	0.26	0.04
Saif Power Limited	130,000	-	-	-	130,000	2,167	0.14	0.15	0.03
	1,218,415	-	-	-	1,218,415	59,031	3.83	4.00	0.20
Commercial Banks									
Allied Bank Limited	57,800	-	-	-	57,800	3,930	0.26	0.27	0.01
Bank Al-falah Limited	887,927	-	-	-	887,927	28,724	1.86	1.95	0.05
Bank Al-Habib Limited (Note 4.1.2)	484,400	-	-	-	484,400	33,496	2.17	2.27	0.04
Bank of Punjab	112,500	-	-	-	112,500	918	0.06	0.06	0.00
Faysal Bank Limited	197,327	258,000	-	-	455,327	11,984	0.78	0.81	0.03
Habib Bank Limited	453,380	-	-	40,000	413,380	45,203	2.93	3.06	0.03
MCB Bank Limited	82,500	-	-	-	82,500	12,432	0.81	0.84	0.01
Meezan Bank Limited	40,172	-	6,026	-	46,198	6,464	0.42	0.44	0.00
United Bank Limited	261,391	40,000	-	-	301,391	35,733	2.32	2.42	0.02
	2,577,397	298,000	6,026	40,000	2,841,423	178,886	11.61	12.13	0.20
Cable and Electrical Goods									
Pakistan Elektron Limited	283,500	-	-	-	283,500	7,810	0.51	0.53	0.01
	283,500	-	-	-	283,500	7,810	0.51	0.53	0.01
Glass and Ceramics									
Shabbir Tiles & Ceramics Limited	582,000	101,000	-	-	683,000	20,818	1.35	1.41	0.29
Tariq Glass Industries Limited	177,125	-	-	-	177,125	17,969	1.17	1.22	0.16
	759,125	101,000	-	-	860,125	38,787	2.52	2.63	0.45
Technology & Communication									
Avanceon Limited	22,200	-	-	-	22,200	2,739	0.18	0.19	0.01
TPL Trakker Limited	355,000	-	-	192,000	163,000	2,781	0.18	0.19	0.09
Systems Limited	76,505	-	-	-	76,505	55,658	3.61	3.77	0.06
	453,705	-	-	192,000	261,705	61,178	3.97	4.15	0.16
Insurance									
Adamjee Insurance Company Limited	122,000	-	-	-	122,000	4,302	0.28	0.29	0.03
	122,000	-	-	-	122,000	4,302	0.28	0.29	0.03
Paper & Board									
Century Paper & Board Mills Limited	75,980	-	9,027	15,800	69,207	5,186	0.34	0.35	0.04
Roshan Packages Limited	68,000	-	-	-	68,000	1,693	0.11	0.11	0.05
Packages Limited	8,900	-	-	-	8,900	4,177	0.27	0.28	0.01
	152,880	-	9,027	15,800	146,107	11,056	0.45	0.47	0.09



Name of the investee company	Number of shares					Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Bonus / Right Issue	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Paid up capital of the investee company
Rupees in '000 ----- % -----									
Automobile Assembler									
Honda Atlas Cars (Pakistan) Limited	7,800	-	-	-	7,800	2,055	0.13	0.14	0.01
Indus Motor Company Limited	1,220	-	-	-	1,220	1,425	0.09	0.10	0.00
Panther Tyres Limited	53,500	-	10,700	-	64,200	3,175	0.21	0.22	0.04
Millat Tractors Limited	15,638	-	-	-	15,638	16,782	1.09	1.14	0.03
	<u>78,158</u>	<u>-</u>	<u>10,700</u>	<u>-</u>	<u>88,858</u>	<u>23,438</u>	<u>1.52</u>	<u>1.59</u>	<u>0.08</u>
Pharmaceuticals									
Abbott Lab (Pakistan) Limited.	5,500	-	-	-	5,500	4,251	0.28	0.29	0.00
AGP Limited	97,400	4,500	-	65,400	36,500	4,190	0.27	0.28	0.01
Citi Pharma Limited	-	237,725	-	34,000	203,725	9,151	0.59	0.62	0.10
GlaxoSmithKline Consumer Healthcare	3,500	-	-	1,600	1,900	485	0.03	0.03	0.00
Highnoon Laboratories Limited	11,220	-	-	-	11,220	6,953	0.45	0.47	0.03
IBL Healthcare Limited	62,000	-	-	18,200	43,800	3,955	0.26	0.27	0.08
The Searle Company Limited	50,170	6,300	-	5,000	51,470	10,372	0.67	0.70	0.02
	<u>229,790</u>	<u>248,525</u>	<u>-</u>	<u>124,200</u>	<u>354,115</u>	<u>39,356</u>	<u>2.55</u>	<u>2.67</u>	<u>0.3</u>
Miscellaneous									
Pakistan Aluminium Beverage Cans Limited	-	159,146	-	25,000	134,146	5,264	0.34	0.36	0.04
	<u>-</u>	<u>159,146</u>	<u>-</u>	<u>25,000</u>	<u>134,146</u>	<u>5,264</u>	<u>0.34</u>	<u>0.36</u>	<u>0.04</u>
Leather and Tanneries									
Service GlobalFootware Limited	70,690	-	-	-	70,690	3,173	0.21	0.22	0.03
Service Industries Limited	18,400	-	-	-	18,400	8,205	0.53	0.56	0.04
	<u>89,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,090</u>	<u>11,379</u>	<u>0.74</u>	<u>0.77</u>	<u>0.07</u>
Food & Personal Care Products									
Shezan International Limited	-	6,300	-	-	6,300	2,012	0.13	0.14	0.07
Unity Foods Limited	24,500	-	-	24,500	-	-	-	-	-
	<u>24,500</u>	<u>6,300</u>	<u>-</u>	<u>24,500</u>	<u>6,300</u>	<u>2,012</u>	<u>0.13</u>	<u>0.14</u>	<u>0.07</u>
						<u>1,012,371</u>	<u>64.69</u>	<u>67.59</u>	<u>16.20</u>
Carrying value as at Sep 30, 2021						<u><u>1,069,936</u></u>			

- 4.1.1** All shares have a nominal face value of Rs 10 each except for shares of Thal Limited and Shabbir Tiles & Ceramics Limited which have a face value of Rs 5.
- 4.1.2** Investments include shares with market value of Rs. 40.57 million (June 30, 2021: Rs. 45.65 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no.11 dated October 23, 2007 issued by the SECP.
- 4.1.3** The Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the 1st day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as a discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has led a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule of Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Accordingly, the investee company(s) has withheld the shares equivalent to 5% of bonus announcement amounting to Rs. 1.261 million (30 June 2017: Rs. 1.093 million) and not yet deposited in CDC account of department of Income Tax.



4.2 Term finance certificates - Listed - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Issue size
					Rupees in '000	%		
Saudi Pak Leasing Company Limited (note 4.2.1)	10,000	-	-	10,000	-	-	-	-
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying value as at September 30, 2021					<u>27,547</u>			
Provision for impairment loss as at September 30, 2021					<u>27,547</u>			

- 4.2.1 This represents investment in term finance certificates with original term of nine years. On October 13, 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on December 26, 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since and had been reclassified as performing as per criteria defined in circular no. 1 of 2009. However, the investee company again defaulted on its obligation on account of principal and profit payment for the month of April 2014 and was therefore declared as Non-performing since April 30, 2014.

The amount of provision as per circular no. 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular.

4.3 Term finance certificates - unlisted - at fair value through profit or loss

All term finance certificates have a face value of Rs 5,000 each unless stated otherwise

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Issue size
					Rupees in '000	%		
Jehangir Siddiqui and Company Limited	17,100	-	-	17,100	38,687	2.51	2.62	11.40
	<u>17,100</u>	<u>-</u>	<u>-</u>	<u>17,100</u>	<u>38,687</u>	<u>2.51</u>	<u>2.62</u>	
Carrying value as at September 30, 2021					<u>38,631</u>			

4.4 Sukuk bonds - unlisted - at fair value through profit or loss

All sukuks have a face value of Rs. 5,000

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Issue size
						%		
Shakarganj Food Products Limited	30	-	-	30	23,572	1.53	1.60	-
Mughal Iran & Steel Industries Limited	50	-	-	50	50,451	3.27	3.42	-
Hubco Sukuk	500	-	-	500	51,012	3.31	3.46	-
	<u>580</u>	<u>-</u>	<u>-</u>	<u>580</u>	<u>125,035</u>	<u>8.11</u>	<u>8.48</u>	<u>-</u>
Carrying value as at Sep 30, 2021					<u>124,695</u>			



4.4.1 At Fair value through profit or loss

Name of the investee company	Number of certificates / bonds				Market value as at Sep 30, 2021	Investment as a percentage of		
	As at July 01, 2021	Purchases during the period	Sales during the period	As at Sep 30, 2021		Net assets	Market value of total investments	Issue size
----- % -----								
Term finance certificate - unlisted								
New Allied Electronics Industries (Private) Limited (note 4.5.1)	32,000	-	-	32,000	-	-	-	-
Eden Housing Limited (note 4.5.2)	10,000	-	-	10,000	-	-	-	-
	42,000	-	-	42,000	-	-	-	-
Carrying value as at September 30, 2021					<u>19,844</u>			
Provision for impairment loss as at September 30, 2021					<u>19,844</u>			

4.4.2 Investment in Government securities - Market Treasury bills

Issue Date	Tenor	Face value				Market value as at June 30, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2021	Purchases during the year	Sales / matured during the year	As at June 30, 2021			
----- Rupees in '000 ----- % -----								
16-JUL-20 TO 08-OCT-20	03 months	-	730,000	730,000	-	-	-	-
22-APR-21 TO 21-OCT-21	06 months	-	300,000	-	300,000	298,797	0.19	24.22
			1,030,000	730,000	300,000	298,797	0.19	24.22
Carrying value before mark to market as at September 30, 2021					<u>298,806</u>			

4.5 All term finance certificates have a face value of Rs 5,000 each except sukuk bonds of New Allied Electronics Industries (Private) Limited which have a face value of Rs 312.50 each.

4.5.1 This represents investment in privately placed sukuks with a term of five years. The investee company had defaulted on its obligation on account of principal and profit payment and accordingly has been classified as NPA by MUFAP since January 9, 2009. The amount of provision as per circular 1 of 2009 and circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 09 from this year.

4.5.2 This represents investment in privately placed sukuk bonds with a term of five years. On May 06, 2011, the issuer defaulted on payment of principal and profit to certain sukuk holders due to which it was classified as NPA by MUFAP. The amount of provision as per circular no 1 of 2009 and circular 33 of 2012 has been maintained by valuing the investment in terms of the said circular. This has been classified as fair value through profit and loss as per IFRS 09 from this year.

4.5.3 The sukuks held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

5 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 1.80% per anum of the net assets of the Fund.



6 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 4.00% (September 30, 2020: 4.45%) which includes 0.23% (September 30, 2020: 0.98%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "balanced" scheme.

7 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 recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021.

Provisioning against Sindh Workers' Welfare Fund by NBP BALANCED FUND amounting to Rs. 19.93 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 BALANCED FUND by 1.24% on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

8 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.

9 CONTINGENCIES AND COMMITMENTS

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

10 DETAILS OF NON-COMPLIANT INVESTMENT WITH THE INVESTMENT CRITERIA OF ASSIGNED CATEGORY

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the fund as 'Balanced Fund'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non - compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non - compliant investments:

Type of investment	Name of non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
Term finance	New Allied Electronic	10,000	(10,000)	-	-	-
Sukuk Bonds	Eden Housing Limited	9,844	(9,844)	-	-	-
Term finance	Saudi Pak Leasing	27,547	(27,547)	-	-	-
Sukuk Bonds	Shakarganj Foods	23,571	-	23,571	1.5%	1.3%



11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 11.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, 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 and unit holders holding ten percent or more units of the Fund.
- 11.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3** Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 11.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at year end are as follows.
- 11.5** Details of the transactions with connected persons are as follows:

	Quarter ended September 30, 2021 (Un-audited)	Quarter ended September 30, 2020 (Un-audited)
----- Rupees in '000 -----		
NBP Fund Management Limited - Management Company		
Management fee expense for the year	6,093	5,671
Accounting and operational charges to the Management Company	757	378
Sales Tax on remuneration of the management company	792	737
Selling and Marketing Expense	7,194	5,671
Front end load	65	100
ADC charges	1	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	658	630
Sales tax on Remuneration of the Trustee	86	82
CDS charges	8	162
Employees of the Management Company		
Units issued / transferred in 7 units (2020: 32,333 units)	-	594
Units redeemed / transferred out 259 units (2020: 24,666 units)	5	456
Pakistan Stock Exchange *		
Listing Fee paid	-	25
Gul Ahmed Textile Mills Limited.		
Shares sold: Nil shares (2020: 242,500 shares)	8,388	8,388
Fauji Fertilizer Company Limited		
Shares purchased: 20,500 shares (2020: 14,000 shares)	2,193	1,636
Shares sold: Nil shares (2020: 122,900 shares)	-	13,434
Dividend Income	957	902
The Hub Power Company Limited *		
Shares sold: Nil shares (2020: 77,000 shares)	-	6,153



	Quarter ended September 30, 2021 (Un-audited)	Quarter ended September 30, 2020 (Un-audited)
	----- Rupees in '000 -----	
National Clearing Company Limited (NCCPL)		
NCCPL Charges	80	84
National Bank of Pakistan		
Shares sold: nil shares (2020: 22,000 shares)	-	756
International Steel Limited		
Shares sold: 4,000 shares (2020: 55,700 shares)	401	3,638
Dividend Income	207	-
Taurus Securities Limited		
Brokerage paid	18	17
Portfolio Managed by the Management Company		
Sell of T-bills	-	73,464
	(Unaudited)	(Audited)
	September 30,	June 30,
	2021	2021
	----- Rupees in '000 -----	
11.6 Amounts outstanding as at year end are as follows:		
NBP Fund Management Limited - Management Company		
Management remuneration payable	1,948	2,026
Sindh Sales Tax payable	253	263
Selling and marketing expense	7,194	7,005
Allocation of expenses related to registrar services, accounting, operation and valuation services	757	600
Sales load and Sindh Sales Tax payable	297	223
Adc share including sindh sales tax	2	1
Employees of the Management Company		
Units held: 12,928 units (30 June 2021: 22,540 units)	237	436
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	214	220
Sindh Sales Tax payable	28	28
Settlement charges payable	181	155
Security deposit	100	100
National Bank of Pakistan (parent of Management company)		
Bank Balance in current account	1,021	920
NBP Employees Pension Fund - unitholder with more than ten percent holding		
Units held: 28,886,715 units (30, June 2021: 28,886,715 units)	548,830	559,232
Summit Bank*		
Bank Balance in current account	-	2,628
Karachi Electric Provident Fund - unitholder with more than ten percent holding		
Units held: 34,224,720 units (30 June 2021: 34,224,720 units)	650,249	662,573

	(Unaudited) September 30, 2021	(Audited) June 30, 2021
	----- Rupees in '000 -----	
Ronak Iqbal Lakhani - unitholder with more than ten percent holding		
Units held: 8,683,522 units (30 June 2020: 8,683,522 units)	164,982	168,109
BankIslami Pakistan Limited		
Bank Balance in saving account	193	167
Profit receivable	7	-
Gul Ahmed Textile Mills Limited		
Ordinary shares held: 318,960 Shares (30 June 2021: 318,960 shares)	17,482	16,181
Fauji Fertilizer Company Limited		
Ordinary shares held: 368,101 Shares (30 June 2021: 347,601 shares)	37,568	36,880
Internation Steel Limited		
Ordinary shares held: 29,600 Shares (30 June 2021: 25,600 shares)	2,256	2,391
Hub Power Company Limited*		
Ordinary shares held: nil shares (30 June 2021: 664,615)	-	52,934
Sukuk: nil units (30 June 2021: 500 units)	-	50,997
Taurus Securities Limited		
Brokerage payable	12	-
National Clearing Company of Pakistan Limited (NCCPL)		
NCCPL Charges Payable	27	86
Security Deposits	2,750	2,750

* Current year figure has not been represented as the person ceased to be a related party / connected person of the Fund as at September 30, 2021

** Prior year comparative has not been presented as the person was not a related party / connected person of the Fund as at September 30, 2020.

12 DATE OF AUTHORISATION FOR ISSUE

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

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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