NBP FUNDS
Managing Your Savings

AM1
Rated by PACRA

NBP MONEY MARKET FUND

QUARTERLY REPORT
SEPTEMBER 30, 2019

NBP FUNDS
Managing Your Savings

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. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	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
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
Mr. Saad ur Rahman Khan	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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited
Summit Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Sindh Bank Limited
National Bank of Pakistan
Samba Bank Limited
Zarai Taraqiati Bank Limited
MCB Islamic Bank Limited
Faysal Bank Limited

Auditors

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

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:

NBP City Branch, Hussain-e-Gahi, Multan.
Phone No: 061-4502204
Fax No: 061-4502203

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Money Market Fund (Formerly NAFA Money Market Fund) (NMMF)** for the quarter ended September 30, 2019.

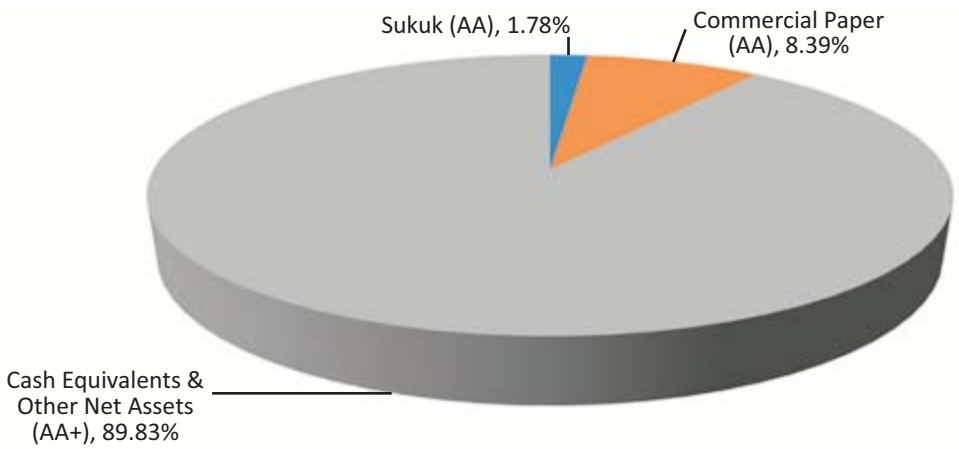
Fund's Performance

The size of NBP Money Market Fund has increased from Rs. 20,599 million to Rs. 25,223 million during the quarter, i.e. a growth of 22%. During the period under review, the unit price of the Fund has increased from Rs. 9.5747 (Ex-Div) on June 30, 2019 to Rs. 9.8791 on September 30, 2019 thus posting a return of 12.6% p.a as compared to its Benchmark return of 12.6% p.a for the same period. The return of the Fund is net of management fee and all other expenses.

NMMF's stability rating awarded by PACRA is 'AA (f)', which denotes a very strong capacity to maintain relative stability in returns and very low exposure to risks. Being a money market scheme, the Fund has stringent investment guidelines. The authorized investments of the Fund include T-Bills, Bank Deposits and Money Market instruments. Minimum rating requirement is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days.

During 1QFY20, the State Bank of Pakistan (SBP) held two (02) bi-monthly monetary policy reviews and increased the Policy Rate by 100bps in the first monetary policy review from 12.25% to 13.25%. In the second monetary policy review on September 16th, the SBP decided to keep the policy rate unchanged. The SBP cited favorable adjustments in the Current Account Deficit (CAD) mainly driven by 11% growth in exports and 25.8% contraction in imports while maintaining its inflation expectation. As expected, inflation kept rising and year-on-year CPI inflation spiked to 11.4% in September 2019 compared with 5.1% in September 2018. The inflation is expected to remain on the upward trajectory due to the pass-through of currency devaluation, volatility in international oil prices, unabated government borrowing, and impact of upward adjustment in utility tariffs. In line with the hike in the Policy Rate, yields on 3-month, 6-month, and 12-month T-Bills went up by 100 bps, 91 bps and 62 bps, respectively.

The Fund has earned a total income of Rs. 905.14 million during the period. After deducting total expenses of Rs. 103.51 million, the net income is Rs. 801.63 million. The asset allocation of NBP Money Market Fund as on September 30, 2019 is as follows:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 3.04% of the opening ex-NAV (3% of the par value) for the period ended September 30, 2019.

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 24, 2019
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے NBP منی مارکیٹ فنڈ (سابقہ: NAFA منی مارکیٹ فنڈ) (NMMF) کے کنڈینسڈ غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

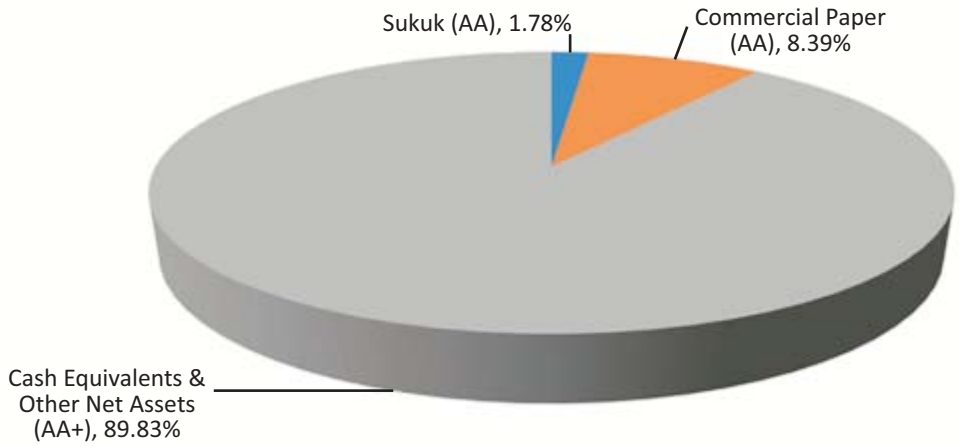
فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP منی مارکیٹ فنڈ کا سائز 20,599 ملین روپے سے بڑھ کر 25,223 ملین روپے ہوگیا ہے یعنی 22% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.5747 روپے (EX-Div) سے بڑھ کر 30 ستمبر 2019 کو 9.8791 روپے ہوگئی، لہٰذا فنڈ نے اسی مدت میں 12.6% بنچ مارک منافع کے مقابلے میں 12.6% منافع دیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NMMF کو PACRA کی طرف سے AA(f) کی مستحکم ریٹنگ دی گئی ہے جو منافع جات میں متعلقہ استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ ایک منی مارکیٹ اسکیم کی حیثیت سے فنڈ سرمایہ کاری کی انتہائی سخت ہدایات رکھتا ہے۔ فنڈ کی منظور شدہ انویسٹمنٹس میں ٹی بلز، بینک ڈپازٹس اور منی مارکیٹ انسٹرومنٹس شامل ہیں۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی کسی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نپی تلی اوسط مدت 90 دن سے زائد نہیں ہوسکتی۔

مالیاتی سال 2020ء کی پہلی سہ ماہی میں اسٹیٹ بینک آف پاکستان (SBP) نے ایک ماہ میں دو مانیٹری پالیسیوں کا جائزہ پیش کیا۔ اس کے پہلے مانیٹری پالیسی جائزہ میں، افراط زر میں اضافہ کے خدشات اور طلب کے دباؤ کو مدنظر رکھتے ہوئے SBP نے پالیسی شرح 12.25 فی صد سے بڑھا کر 13.25 فی صد کردی۔ 16 ستمبر کو دوسرے مانیٹری پالیسی جائزہ میں SBP نے پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ SBP نے کرنٹ اکاؤنٹ خسارہ (CAD) میں واضح تبدیلی دیکھی جو برآمدات میں 11 فی صد نمو اور درآمدات میں 25.8 فی صد کمی کے مرہون منت ہے جب کہ افراط زر میں اضافہ متوقع تھا۔ توقعات کے مطابق افراط زر میں اضافہ ہوتا رہا اور سالہا سال کی بنیاد پر CPI افراط زر میں ستمبر 2018ء میں 5.1 فی صد کے مقابلہ میں ستمبر 2019ء کے دوران 11.4 فی صد اضافہ ہوا۔ روپے کی قدر میں کمی، تیل کی بین الاقوامی قیمتوں میں عدم استحکام، مسلسل حکومتی قرضوں کا حصول اور یوٹیلٹی نرخوں میں اضافہ کے اثرات کی وجہ سے افراط زر میں مزید اضافہ کی توقع ہے۔ پالیسی شرح میں اضافہ کے تحت سہ ماہی، ششماہی اور سالانہ ٹی بلز پر پیداوار میں بالترتیب 100، 91 اور 62 بی پی ایس اضافہ ہوا۔

فنڈ کو مدت کے دوران 905.14 ملین روپے کل آمدنی ہوئی۔ 103.51 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد، خالص آمدنی 801.63 ملین روپے ہے۔ 30 ستمبر 2019 کو NBP منی مارکیٹ فنڈ کی ایسٹ ایلوکیشن درج ذیل ہے:



آمدنی کی تقسیم

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2019 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 3.04% (بنیادی قدر کا 3%) عبوری نقد ڈیویڈینڈ منظور کیا ہے۔

اظہار تشکر

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

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: 24 اکتوبر 2019

مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019

	Note	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
		----------Rupees in '000----------	
ASSETS			
Bank balances	4	**22,568,162**	19,789,023
Investments	5	**2,565,785**	797,633
Mark-up accrued		**264,350**	215,717
Receivable against transfer of units		**142,368**	-
Deposit and prepayments		**228**	315
Total assets		**25,540,893**	20,802,688
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company		**57,169**	35,699
Payable to Central Depository Company of Pakistan Limited - Trustee		**1,579**	1,637
Payable to the Securities and Exchange Commission of Pakistan		**1,288**	18,052
Payable against redemption of units		**80,873**	45
Accrued expenses and other liabilities		**176,649**	148,293
Total liabilities		**317,558**	203,726
NET ASSETS		**25,223,335**	20,598,962
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**25,223,335**	20,598,962
Contingencies and commitments	7		
		----------Number of units----------	
Number of units in issue		**2,553,202,827**	2,087,303,211
		----------Rupees----------	
Net asset value per unit		9.8791	9.8687

The annexed notes from 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, 2019

	Note	Quarter ended September 30, 2019	Quarter ended September 30, 2018
		----------Rupees in '000----------	
INCOME			
Return / mark-up on:			
- bank balances		**827,329**	121,584
- government securities		**42,869**	389,979
- letter of placement		**-**	36,538
- Commercial Paper		**19,565**	-
- Sukuk Income		**15,834**	-
Net loss on sale of investments		**(458)**	(3,491)
Total income		**905,139**	544,610
EXPENSES			
Remuneration of NBP Fund Management Limited - Management Company		**29,677**	42,630
Sindh Sales Tax on remuneration of the Management Company		**3,858**	5,542
Allocation of operational expenses to the Management Company		**6,439**	7,081
Selling and Marketing Expenses	8	**40,609**	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**4,185**	4,816
Sindh Sales Tax on remuneration of the Trustee		**544**	626
Annual fee to the Securities and Exchange Commission of Pakistan		**1,288**	5,311
Settlement charges		**50**	181
Bank charges		**129**	150
Auditors' remuneration		**226**	206
Legal and professional charges		**19**	9
Fund rating fee		**108**	98
Annual listing fee		**7**	7
Printing charges		**9**	-
Total expenses		**87,148**	66,657
Net income from operating activities		**817,991**	477,953
Provision for Sindh Workers' Welfare Fund	6	**(16,360)**	(9,559)
Net income for the period before taxation		**801,631**	468,394
Taxation	9	**-**	-
Net income for the period after taxation		**801,631**	468,394
Allocation of net income for the period:			
Net income for the period after taxation		**801,631**	468,394
Income already paid on units redeemed		**(326,637)**	(103,064)
		474,994	365,330
Accounting income available for distribution:			
- Relating to capital gain		**-**	-
- Excluding capital gain		**474,994**	365,330
		474,994	365,330

The annexed notes from 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019	Quarter ended September 30, 2018
	---------- Rupees in '000 ----------	
Net income for the period after taxation	**801,631**	468,394
Other comprehensive income	**-**	-
Total comprehensive income for the period	**801,631**	468,394

The annexed notes from 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 STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended September 30, 2019			Quarter ended September 30, 2018		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	**20,465,978**	**132,984**	**20,598,962**	22,493,568	698,826	23,192,394
Issue of 1,974,912,040 units (2018: 1,428,964,867 units)						
- Capital value	**19,489,814**	-	**19,489,814**	14,078,020	-	14,078,020
- Element of income	**108,871**	-	**108,871**	59,041	-	59,041
Total proceeds on issuance of units	**19,598,685**	**-**	**19,598,685**	14,137,061	-	14,137,061
Redemption of 1,509,012,425 units (2018: 1,252,453,392 units)						
- Capital value	**(14,570,796)**	**-**	**(14,570,796)**	(12,338,422)	-	(12,338,422)
- Element of loss	**(109,248)**	**(326,637)**	**(435,885)**	(25,583)	(103,064)	(128,647)
Total payments on redemption of units	**(14,680,044)**	**(326,637)**	**(15,006,681)**	(12,364,004)	(103,064)	(12,467,068)
Total comprehensive income for the period	**-**	**801,631**	**801,631**	-	468,394	468,394
Final Distribution @ Rs.0.5531 declared on July 04, 2018						
- Cash Distribution	**-**	**-**	**-**	-	(600,319)	(600,319)
- Refund of Capital	**-**	**-**	**-**	(632,525)		(632,525)
Interim Distribution @ 0.0968 per unit declared on July 30, 2019						
- Cash Distribution	**-**	**(189,543)**	**(189,543)**	**-**	**-**	**-**
- Refund of Capital	**(47,977)**	**-**	**(47,977)**	**-**	**-**	**-**
Interim Distribution @ 0.1014 per unit declared on August 29, 2019						
- Cash Distribution	**-**	**(240,420)**	**(240,420)**	**-**	**-**	**-**
- Refund of Capital	**(30,492)**	**-**	**(30,492)**	**-**	**-**	**-**
Interim Distribution @ 0.1018 per unit declared on September 28, 2019						
- Cash Distribution	**-**	**(236,314)**	**(236,314)**	**-**	**-**	**-**
- Refund of Capital	**(24,516)**	**-**	**(24,516)**	**-**	**-**	**-**
Total distribution during the period	**(102,985)**	**(666,277)**	**(769,262)**	(632,525)	(600,319)	(1,232,844)
Net assets at end of the period	**25,281,633**	**(58,299)**	**25,223,335**	23,634,100	463,837	24,097,937
Undistributed income brought forward						
- Realised		**132,981**			698,826	
- Unrealised		**-**			-	
		132,981			698,826	
Accounting income available for distribution						
- Relating to capital gain		**-**			-	
- Excluding capital gain		**474,994**			365,330	
		474,994			365,330	
Final Distribution period ended June 30, 2018		**-**			-	
Interim Distribution during the period		**(666,277)**			(600,319)	
Undistributed income carried forward		**(58,302)**			463,837	
Undistributed income carried forward						
- Realised		**(58,302)**			463,837	
- Unrealised		**-**			-	
		(58,302)			463,837	
			- (Rupees) -			- (Rupees) -
Net assets value per unit at beginning of the period			**9.8687**			10.4050
Net assets value per unit at end of the period			**9.8791**			10.0179

The annexed notes from 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, 2019

	Note	Un - Audited Quarter ended September 30, 2019	Un - Audited Quarter ended September 30, 2018
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**801,631**	468,394
Adjustments:			
Return / mark-up on bank balances			
- bank balances		**(827,329)**	(121,584)
- government securities		**(42,869)**	(389,979)
- letter of placement		**-**	(36,538)
- Commercial Paper		**(19,565)**	-
- Sukuk Income		**(15,834)**	-
Provision for Sindh Workers' Welfare Fund		**16,360**	9,559
		(889,237)	(538,542)
		(87,606)	(70,148)
(Increase) / decrease in assets			
Investments		**(1,768,152)**	(3,910,000)
Deposit and prepayments		**87**	(128)
		(1,768,065)	(3,910,128)
Increase / (decrease) in liabilities			
Payable to the Management Company		**21,470**	(1,723)
Payable to the Trustee		**(58)**	111
Payable to the Securities and Exchange Commission of Pakistan		**(16,764)**	(11,831)
Accrued expenses and other liabilities		**11,996**	(28,868)
		16,644	(42,311)
Mark-up on bank balances received		**794,531**	127,342
Mark-up on government securities received		**42,869**	389,979
Mark-up on letter of placement received		**-**	32,743
Mark-up on Commercial Paper received		**19,565**	-
Mark-up on Sukuk received		**-**	-
		856,965	550,064
Net cash (used in) from operating activities		**(982,062)**	(3,472,523)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issuance of units		**19,353,332**	13,504,536
Amounts paid on redemption of units		**(14,925,853)**	(12,467,314)
Distributions paid		**(666,277)**	(600,319)
Net cash generated from financing activities		**3,761,201**	436,903
Net increase / (decrease) in cash and cash equivalents during the period		**2,779,139**	(3,035,620)
Cash and cash equivalents at the beginning of the period		**19,789,023**	23,350,772
Cash and cash equivalents at the end of the period	4	**22,568,162**	20,315,152

The annexed notes from 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, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

NBP Money Market Fund (Formerly NAFA Money Market Fund - "the Fund") was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 4, 2011 and was approved by Securities and Exchange Commission of Pakistan (SECP) on April 14, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC rules through a certificate of registration issued by 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 Fund is an open-ended mutual fund categorised as "money market scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The investment objective of the Fund is to generate stable income stream for its unit holders while ensuring capital preservation by investing in AA and above rated banks and money market instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and a stability rating of 'AA(f)' to the Fund.

Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

2.2 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, 2019.

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, 2019.

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, 2019.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2019 that have a material effect on the financial statements of the Fund.

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, 2019. 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, 2019.

	Note	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
		----------Rupees in '000----------	
4. BANK BALANCES			
Current Account	4.1	**20,181**	18,569
Saving Account	4.2 & 4.3	**22,547,982**	19,770,454
		22,568,162	19,789,023

4.1 These include bank balances of Rs.0.16 million and Rs. 19.99 million (June 30, 2019: Rs. 0.16 million and Rs. 18.37 million), maintained with National Bank of Pakistan and Summit Bank Limited (related parties) respectively.

4.2 These savings accounts carry mark-up at rates ranging from 6.30% to 14.45% per annum (June 30, 2019: 3.75% to 14%) per annum.

4.3 These include a bank balances of Rs. 4.48 million and Rs. 1.03 million (2019: Rs. 6.14 million and Rs. 0.52 million), maintained with National Bank of Pakistan and Askari Bank Limited , related parties, and carrying mark-up at the rate of 10.25% (2019: 10.25%) per annum.

	Note	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
		----------Rupees in '000----------	
5 INVESTMENTS			
Financial Assets at fair value through profit or loss			
Government securities - Market Treasury Bills	5.1	-	-
Sukuk at fair value through profit or loss	5.2	**450,000**	450,000
Commercial Paper at amortised cost	5.3	**2,115,785**	347,633
		2,565,785	797,633

5.1 **Investment in Government securities**

Issue Date	Tenor	As at July 01, 2019 during the period	Purchased during the period	Sales / Matured during the period	As at September 30, 2019	Market value as at September 30, 2019	Market value of net assets	Market value of total investments
		----------Rupees in '000----------					---------- (%) ----------	
18-Jul-19	3 Months	3 Months	5,950	5,950	-	-	-	-
Total as at September 30, 2019						-	-	-
Carrying value of investments as at September 30, 2019						-		

5.2 **Sukuk**

Name of the investee company	Number of bonds				Market value as at September 30, 2019	Investment as % of	
	As at 1 July 2019	Purchases during the period	Sales / Matured during the period	As at September 30, 2019		Market value of net assets	Market value of total investments
	----------Rupees in '000----------					---------- (%) ----------	
HUB Power Company	4,500	-	-	4,500	450,000	1.78	17.54
	4,500	-	-	4,500	450,000	2	18
Carrying value of investments as at September 30, 2019					**450,000**		

5.3 This represents the purchase of commercial paper from K-Electric Limited on August 28, 2019 (having face value of Rs. 800 million), K-Electric Limited on September 19, 2019 (having face value of Rs. 960 million) and Hub Power Company Limited on September 26, 2019 (having face value of Rs. 500 million). This carry profit at the rate of 13.67%, 13.68% and 13.68% respectively and will mature on February 28, 2020, March 19, 2020 and March 24, 2020 respectively.

6 PROVISION FOR SINDH WORKERS' WELFARE FUND

"The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 16 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 88.393 million for the period ended September 30, 2019 in this condensed interim financial information, Had the provision not been made, net assets value per unit at September 30, 2019 would have been higher by Rs. 0.0346 per unit (June 30, 2019: Rs. 0.0345 per unit)."

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2019 and June 30, 2019.

8 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 0.70% per annum of the net assets of the Fund.

9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of 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 amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund intends to distribute such accounting income for the year ending June 30, 2018 to its unit holders. Accordingly, no provision in respect of taxation has been made in the current period.

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.

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2019 is 1.6% (2018: 1.08%) which includes 0.34% (2018: 0.30%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Money Market scheme'.

11 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post employment benefit funds of the Management Company its parent and sponsor. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

11.1 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

11.2 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

11.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

11.4 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

11.5 Details of transactions with connected persons and related parties are as follows:

	---------- (Un-audited) ---------- Quarter ended	
	September 30, 2019	September 30, 2018
	---------- Rupees in '000 ----------	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	**29,677**	42,630
Sindh Sales Tax on remuneration of the Management Company	**3,858**	5,542
Reimbursement of operational expenses to the Management Company	**6,439**	7,081
Selling and Marketing expenses to the Management Company	**40,609**	-
Dividend re-invest 3,249 units (2018: 62,189 Units)	**32**	613
Units issued / transferred in Nil units (2018: 24,179,877 units)	**-**	231,634
Units redeemed / transferred out 392,993 (2018: 29,587,538 units)	**3,910**	295,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**4,185**	4,816
Sindh Sales Tax on remuneration of the Trustee	**544**	626
Employees of the Management Company		
Dividend re-invest 73,704 units (2018: 90,764 Units)	**728**	895
Units issued / transferred in 547,201 units (2018: 842,510 units)	**5,401**	7,359
Units redeemed / transferred out 727,894 units (2018: 1,362,212 units)	**7,230**	13,555
National Bank of Pakistan (Parent of the Management Company)		
Mark-up on bank balances	**98**	28
Purchase of T-Bills	**-**	231,811

	(Un-audited) Quarter ended	
	September 30, 2019	September 30, 2018
	Rupees in '000	
Askari Bank Limited (Common Directorship with the Management Company)		
Markup on bank balance	**28**	25
***Honda Atlas Cars (Pakistan) Limited (Unit holder of 10% or more of units of the CIS)**		
Dividend re-invest Nil units (2018: 12,868,203 units)	**-**	126,846
Units issued / transferred in - Nil (2018: 1,656,137 units)	**-**	-
Units redeemed / transferred out - Nil (2016: 65,093,496 units)	**-**	650,000
Chief Executive Officer of the Management Company		
Dividend re-invest 5,191 units (2018: 1,918 units)	**52**	19
Units issued / transferred in 1 units (2018: 896 units)	**-**	-
Humayun Bashir (Director of the Management Company)		
Units issued / transferred in Nil units (2018: 2,514,842 units)	**-**	25,000
Units redeemed / transferred out Nil units (2018: 1,009,968 units)	**-**	10,000
Kamal Amir Chinoy (Director of the Management Company)		
Units issued / transferred in 6,623 units (2018: Nil units)	**65**	-
Units redeemed / transferred out 2 units (2018: Nil units)	**-**	-
Chief Operating Officer and Company Secretary of the Management Company)		
Units issued / transferred in Nil units (2018: 120,186 units)	**-**	1,200
Units redeemed / transferred out 779 units (2018: Nil units)	**8**	-
NAFA Employee Provident Fund (Provident Fund of the Management Company)		
Units issued / transferred in Nil units (2018: 44,556 units)	**-**	348
***Management Association of Pakistan (Common Directorship with the Management Company)**		
Dividend re-invest Nil units (2018: 11,565 units)	**-**	114
Units issue / transferred in Nil units (2018: 104,670 units)	**-**	917
Units redeemed / transferred out Nil units (2018: 26,868 units)	**-**	266
Reliance Enterprises (COO Holding more than 10% in RE)		
Dividend re-invest 2,434 units (2018: 3,990 units)	**24**	39
Units issue / transferred in 1 units (2018: 55,152 units)	**-**	-
Units redeemed / transferred out 140,511 units (2018: Nil units)	**1,400**	-
***Pakistan Mobile Communications Limited (Unit holder of 10% or more of units of the CIS)**		
Dividend re-invest Nil units (2018: 3,081,460 units)	**-**	30,375
Units issued / transferred in Nil units (2018: 3,081,460 units)	**-**	846,000
Units redeemed / transferred out Nil units (2018: 100,715,536 units)	**-**	1,008,000
***Interloop Limited (Unit holder of 10% or more of units of the CIS)**		
Units issued / transferred in Nil units (2018: 306,186,229 units)	**-**	3,022,487
Units redeemed / transferred out Nil units (2018: 1,007,049 units)	**-**	100,000

	(Un-audited) Quarter ended	
	September 30, 2019	September 30, 2018
	Rupees in '000	
****Fauji Fertilizer Company Limited (Unit holder of 10% or more of units of the CIS)**		
Dividend re-invest 609,488 units (2018: Nil units)	**144,080**	-
Units issued / transferred in 257,165,754 units (2018: Units units)	**2,550,000**	-
Portfolios managed by the Management Company		
Dividend re-invest 609,488 units (2018: 83 units)	**6,350**	818
Units issued / transferred in 35,140,225 units (2018: 2,767,785 units)	**537,994**	26,425
Units redeemed / transferred out 27,420,015 units (2018: 2,294,995 units)	**542,612**	22,773

* Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

** Comparative transactions with these parties have not been disclosed as these parties were not related parties in last period.

		(Un-audited) September 30, 2019	(Audited) June 30, 2019
11.6	**Balances outstanding as at are as follows**	Rupees in '000	
	NBP Fund Management Limited - Management Company		
	Remuneration of the Management Company	**8,661**	21,069
	Sindh Sales Tax on remuneration of the Management Company	**1,126**	2,739
	Operational expenses	**6,439**	10,310
	Selling and Marketing Expenses	**40,609**	-
	Sales load	**55**	1,155
	Sindh Sales Tax and Federal Excise Duty on sales load	**279**	426
	Investment held in the Fund: Nil units (2019: 480,426 units)	**-**	4,741
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	**1,398**	1,449
	Sindh Sales Tax on remuneration of the Trustee	**182**	188
	Security deposit	**100**	100
	National Bank of Pakistan (Parent of the Management Company)		
	Bank balances		
	- in savings account	**4,488**	6,148
	- in current account	**166**	166
	Accrued markup	**81**	237
	Summit Bank Limited (Common Directorship with the Management Company)		
	Bank balance in current account	**19,989**	18,377
	Askari Bank Limited (Common Directorship with the Management Company)		
	Bank balance in savings account	**1,034**	529
	Accrued markup	**93**	70
	Employees of the Management Company		
	Investment held in the Fund: 2,983,861 units (2019: 3,090,849 units)	**29,478**	30,503
	Chief Executive Officer of the Management Company		
	Investment held in the Fund: 208,423 units (2019: 203,130 units)	**2,059**	2,005
	Kamal Amir Chinoy (Director of the Management Company)		
	Investment held in the Fund: 260,875 units (2019: 254,251 units)	**2,577**	2,509

	(Un-audited) September 30, 2019	(Audited) June 30, 2019
	--------- Rupees in '000 ---------	
Chief Operating Officer and Company Secretary of the Management Company)		
Investment held in the Fund: 2,618,844 units (2019: 779 units)	**-**	8
National Clearing Company Of Pakistan (Common Directorship with the Management Company)		
Investment held in the Fund: 2,618,844 units (2019: 2,561,215 units)	**25,872**	25,275
Reliance Enterprises (COO Holding more than 10% in RE)		
Investment held in the Fund 2,644 units (2019: 140,721 units)	**26**	1,389
****Fauji Fertilizer Company Limited (Holding more than 10%)**		
Investment held in the Fund: 660,489,750 units (2019: 387,462,741 units)	**6,525,044**	3,823,754
Portfolios managed by the Management Company		
Investment held in the Fund 35,211,971 units (2019: 19,326,448 units)	**347,862**	190,707

* Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

** Comparative transactions with these parties have not been disclosed as these parties were not related parties in last period.

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 24, 2019 by the Board of Directors of the Management Company.

13 GENERAL

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

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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