



# NBP FUNDS

*Managing Your Savings*

**AM1**

Rated by PACRA

## NBP BALANCED FUND



HALF YEARLY REPORT  
**DECEMBER 31, 2019**

# 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 Shakra-e-Faisal, Karachi.

**Bankers to the Fund**

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan

# NBP BALANCED FUND

(FORMERLY ; NAFA MULTI ASSET FUND)



Sindh Bank Limited  
Soneri Bank Limited  
Summit Bank Limited  
The Bank of Punjab  
United Bank Limited  
Zarai Taraqiati Bank Limited

#### **Auditors**

KPMG Taseer Hadi & Co.  
Sheikh Sultan Trust Building,  
Ground No. 2 Shaheed Chaudary Aslam Road,  
Civil Lines, 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](http://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 reviewed condensed financial statements of **NBP Balanced Fund** (NBF) (Formerly; NAFA Multi Asset Fund) (NMF) for the half year and quarter ended December 31, 2019.

### Fund's Performance

The size of NBP Balanced Fund (Formerly: NAFA Multi Asset Fund) has increased from Rs. 1,404 million to Rs. 1,559 million during the period, i.e. an increase of 11%. During the period, the unit price of NBP Balanced Fund (NBF) has increased from Rs. 16.4866 on June 30, 2019 to Rs. 19.2434 on December 31, 2019, thus showing an increase of 16.7%. The Benchmark increase during the same period was 19.4%. Thus, the Fund has underperformed its Benchmark by 2.7% during the period under review. Since inception the NAV of the Fund has increased from Rs.3.7741 (Ex-Div) on January 19, 2007 to Rs. 19.2434 on December 31, 2019, thus showing an increase of 409.9%. During the said period, the Benchmark increased by 198.0%, translating into outperformance of 211.9%. This performance is net of management fee and all other expenses.

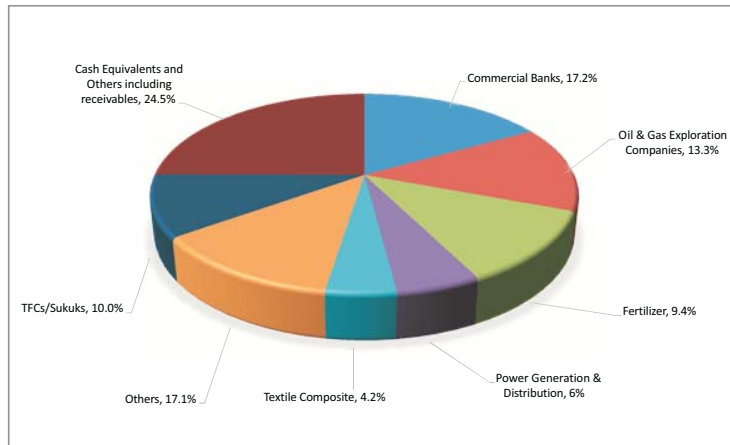
Reversing the negative trend of the last two years, the market staged a strong recovery as the benchmark KSE-100 Index surged by 20.2% during 1HFY2020, however the period was characterized with large swings. Despite flurry of positive developments that included accord of the IMF for USD 6 billion Extended Funds facility (EFF); commencement of Saudi oil facility worth USD 3.3 billion; and USD 500 million flow of funds from Qatar; the market started off the period under review on a frail note. The benchmark KSE-100 Index declined by around 15% by mid-August as investors remained concerned over slowdown in economic activity. The deteriorating Pakistan-India relations over repealing of article 370 in Kashmir by the latter triggered panic selling with the Index hitting multi-year low of 28,765 points on August 16, 2019. Consequently, the attractive valuations prompted value buying and the shift in investors' mood was also supported by improving macroeconomic indicators, mainly on external account front, as the current account deficit declined massively by 74% to USD 2.2 billion during 1HFY2020, from USD 8.6 billion in same period last year. Resumption of foreign currency inflows from multilateral donor agencies and portfolio inflows in government securities boosted the SBP's FX reserves to USD 11.3 billion, the highest level since April 2018. Sharply falling yields on the longer tenure government securities (PIBs), a harbinger to reversal of monetary tightening cycle, also buoyed market sentiment. As a result, the market staged robust rally, surging by 41.6% from the bottom in mid-August, taking 1HFY2020 return to 20.2%.

In terms of sectoral performance, Engineering, Pharmaceuticals, Paper & Board, Chemicals and Transport out-performed the market, while Automobile, Commercial Banks, Power Generation & Distribution lagged behind. On the participant-wise activity, Individuals remained major buyers with net inflows of USD 140 million, along with Other Organizations that accumulated positions worth USD 14 million. On the other hand, Banks/DFIs, Mutual Funds, and Insurance were net sellers with net outflows to the tune of USD 91 million, USD 53 million, and USD 20 million, respectively.

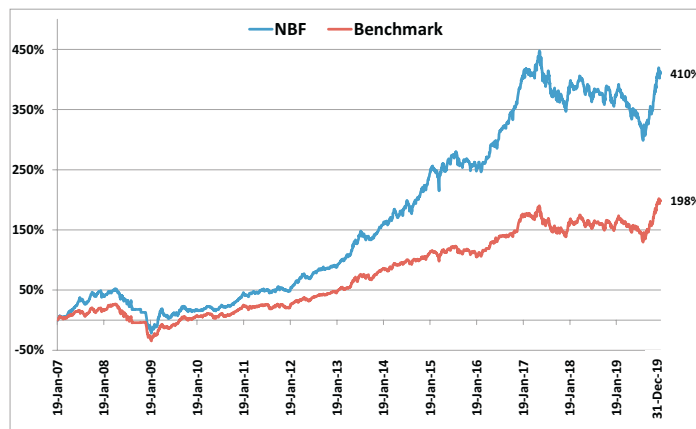
During 1HFY20, the State Bank of Pakistan (SBP) held three bi-monthly Monetary Policy Committee (MPC) meetings. To contain inflationary pressures, the SBP in its Monetary Policy Meeting in July 2019, increased the policy rate by 100bps to 13.25%. In the later two Monetary Policy Statements, the SBP left the Policy Rate unchanged despite up-tick in inflation. The SBP held fourteen (14) T-Bill auctions during the period, realizing a total of Rs. 9,934 billion. T-Bills also started reflecting the market's expectation of peaking interest rate cycle and beginning of monetary easing cycle down the road as the cut-off yields in the last auction during the period under review for 3-month, 6-month and 12-month tenures were noted at 13.49%, 13.29%, and 13.13%, respectively. The trading in corporate debt securities was subdued with cumulative traded value of around Rs. 4.8 billion versus Rs. 6.3 billion in the same period last year. We have seen a plenty of fresh issuance of corporate bonds, notably from the Power sector for long-term financing.

The Fund has earned a total income of Rs. 250.54 million during the period. After deducting total expenses of Rs. 28.36 million, the net income is Rs. 222.18 million. The asset allocation of the Fund as on December 31, 2019 is as follows:

# NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



## NBF Performance versus Benchmark (Since Inception)



## Acknowledgement

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

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

On behalf of the Board of  
**NBP Fund Management Limited**

Chief Executive

Director

Date: February 27, 2020  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2019ء کو ختم ہونے والی ششماہی کے لئے NBP بیلنسڈ فنڈ (سابقہ: NAFA ملٹی ایسیٹ فنڈ) (NMF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

NBP بیلنسڈ فنڈ (سابقہ: NAFA ملٹی ایسیٹ فنڈ) (NBF) کا سا سز اس مدت کے دوران 1,404 ملین روپے سے بڑھ کر 1,559 ملین روپے ہو گیا، یعنی 11% کا اضافہ ہوا۔ اس مدت کے دوران NBP بیلنسڈ فنڈ (سابقہ: NAFA ملٹی ایسیٹ فنڈ) (NBF) کے یونٹ کی قیمت 30 جون 2019 کو 16.4866 روپے سے بڑھ کر 31 دسمبر 2019 کو 19.2434 روپے ہو گئی۔ لہذا 16.7% کا اضافہ ظاہر کرتی ہے۔ اسی مدت کے دوران بیچ مارک میں 19.4% اضافہ ہوا۔ لہذا فنڈ کی کارکردگی زیر جائزہ مدت کے دوران اپنے بیچ مارک سے 2.7% اتر رہی۔ اپنے قیام سے اب تک فنڈ کی NAV 19 جنوری 2007 کو 3.7741 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2019 کو 19.2434 روپے ہو گئی، لہذا 409.9% کا اضافہ ہوا۔ اس مدت کے دوران، بیچ مارک میں 198.0% اضافہ ہوا۔ لہذا فنڈ نے 211.9% سے بہتر کارکردگی دیکھائی۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

گذشتہ دو برسوں کے منفی رجحان کو ختم کرتے ہوئے مالی سال 2020 کی پہلی ششماہی میں مارکیٹ مستحکم ہوئی اور KSE-100 انڈیکس میں 20.2% فی صد اضافہ ہوا تاہم اس دوران مارکیٹ میں اتار چڑھاؤ آتے رہے۔ آئی ایم ایف سے 6 بلین ڈالر کے توسیعی قرضہ (EFF) کی منظوری، سعودی عرب سے 3.3 بلین ڈالر مالیت کی پٹرولیم مصنوعات کی فراہمی اور قطر سے 500 ملین ڈالر جیسی پُر جوش مثبت پیش رفت کے باوجود زیر جائزہ مدت کا آغاز سست روی کا شکار رہا۔ سرمایہ کاروں کا سست معاشی سرگرمیوں کے تحفظات کے باعث وسط اگست تک KSE-100 انڈیکس میں 15 فی صد کمی واقع ہوئی۔ کشمیر میں آڑھیل 370 کے نفاذ پر پاک بھارت کشیدگی کی وجہ سے 16 اگست 2019ء کو انڈیکس گذشتہ برسوں کی کم ترین سطح 28,765 پوائنٹس تک پہنچ گیا۔ نتیجتاً، پُرکشش قیمتوں نے خریداری کی حوصلہ افزائی کی اور بہتر معاشی اشاروں نے سرمایہ کاروں کے مزاج میں تبدیلی کی جسکی بنیادی وجہ بیرونی اکاؤنٹ میں بہتری تھی جیسا کہ بڑے پیمانے پر کرنٹ اکاؤنٹ خسارہ مالی سال 2020 کی پہلی ششماہی کے دوران 74 فی صد کم ہوا یعنی 2.2 بلین ڈالر ہو گیا جو گذشتہ برس کی اسی مدت میں 8.6 بلین ڈالر تھا۔ کثیر طرفہ ڈونر ایجنسیوں سے غیر ملکی ترسیلات زر کا آغاز اور حکومتی سیکورٹیز کے پورٹ فولیو میں اضافہ کی وجہ سے اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر میں 11.3 بلین ڈالر تک اضافہ ہوا جو اپریل 2018ء سے بلند ترین سطح ہے۔ طویل مدتی حکومتی سیکورٹیز (PIB) میں تیزی سے کمی معاشی تناؤ کو ختم کرنے کا پیش خیمہ ثابت ہوا جس کی وجہ سے مارکیٹ میں استحکام آیا۔ نتیجتاً، وسط اگست میں مارکیٹ میں کم ترین سطح سے 41.6 فی صد کا مضبوط اضافہ دیکھا گیا اور مالی سال 2020 کی پہلی ششماہی میں مارکیٹ میں 20.2% فی صد اضافہ رہا۔

شعبہ جاتی کارکردگی کے تناظر میں انجینئرنگ، فارماسیوٹیکلز، کاغذ اور بورڈ، کیمیکلز اور ٹرانسپورٹ نے مارکیٹ میں بہتر کارکردگی کا مظاہرہ کیا جبکہ آٹوموبائل، کمرشل بینک، پاور جنریشن اور ڈسٹری بیوٹن نے ان کی پیروی کی۔ شریک دار سرگرمیوں کے تناظر میں انفرادی شرکت دار 140 ملین ڈالر کے مجموعی ان فلو کے ساتھ بڑے خریدار رہے جب کہ دیگر اداروں نے 14 ملین ڈالر کے ساتھ پوزیشن مستحکم کی۔ دوسری جانب، بینک/DFI، میوچل فنڈز اور انشورنس بالترتیب 91 ملین ڈالر، 53 ملین ڈالر اور 20 ملین ڈالر کے مجموعی آؤٹ فلو کے ساتھ بڑے فروخت کنندگان رہے۔

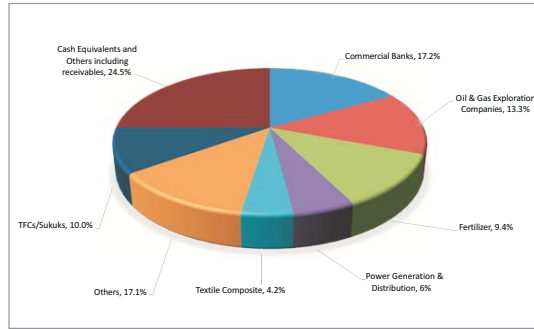
مالی سال 2020 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے تین دو ماہی معاشی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ مانیٹری پالیسی کے اجلاس میں پالیسی ریٹ کو 100bps کے اضافہ کے ساتھ 13.25 فی صد تک بڑھا دیا۔ دیگر دو مانیٹری پالیسی بیانات میں افراط زر میں اضافہ کے باوجود SBP نے پالیسی ریٹ کو مستحکم رکھا۔ اس مدت میں SBP نے چودہ (14) ٹی بی ٹیلا میوں سے 9,934 ملین روپے حاصل کئے۔



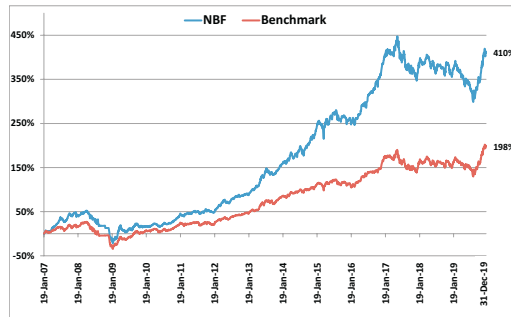
ٹی بلز کی وجہ سے شرح سود میں اضافہ کی منڈی کی توقعات پر اثر پڑا اور زیر جائزہ سہ ماہی، ششماہی اور سالانہ مدتوں کے دوران آخری نیلامی میں کٹ آف بیلڈ بالترتیب 13.49 فی صد، 13.29 فی صد اور 13.13 فی صد رہی۔ کارپوریٹ ڈیبٹ سیکورٹیز میں تجارت 4.8 بلین ڈالر مجموعی قدر کے ساتھ غالب رہی جو گذشتہ برس اسی مدت میں 6.3 بلین روپے تھی۔ ہم نے طویل مدتی سرمایہ کاری کے لئے خصوصاً آٹو انائی کے شعبہ سے نئے کارپوریٹ بانڈز کے اجراء کا رجحان دیکھا ہے۔

نیز کو موجودہ مدت کے دوران 250.54 بلین روپے کی آمدنی ہوئی ہے۔ 28.36 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 222.18 بلین روپے ہے۔

31 دسمبر 2019 کے مطابق فنڈ کی ایسٹ ایلویشن حسب ذیل ہے:



NBF کی کارکردگی بہت قابل ستائش مارک (اپنے قیام سے)



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ آپریشنز 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 اسٹیٹ کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

**NBP فنڈ مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 فروری 2020ء

مقام: کراچی

## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Balanced Fund [formerly NAFA Multi Asset Fund] (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund for the period ended December 31, 2019 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2020

## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Balanced Fund** (formerly; NAFA Multi Asset Fund) ("the Fund") as at 31 December 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

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

### Conclusion

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

### Other matter

The figures for the three months period ended 31 December 2019 in the interim financial information have not been reviewed and we do not express a conclusion on them.

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

Date: February 28, 2020

Karachi

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**KPMG Taseer Hadi & Co.**  
Chartered Accountants

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
AS AT 31 DECEMBER 2019

		<b>31 December 2019</b>	<b>30 June 2019</b>
	<i>Note</i>	<b>Unaudited</b>	<b>Audited</b>
		<b>(Rupees in '000)</b>	
<b>Assets</b>			
Bank balances	6	<b>407,025</b>	464,789
Investments	7	<b>1,177,845</b>	960,831
Dividend and profit receivables	8	<b>9,238</b>	9,173
Advance, deposits and prepayment		<b>3,745</b>	3,842
<b>Total assets</b>		<b>1,597,853</b>	1,438,635
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - Management Company	9	<b>7,112</b>	6,510
Payable to Central Depository Company of Pakistan Limited - Trustee	10	<b>403</b>	270
Payable to Securities and Exchange Commission of Pakistan	11	<b>140</b>	1,352
Accrued expenses and other liabilities	12	<b>31,056</b>	26,369
<b>Total liabilities</b>		<b>38,711</b>	34,501
<b>Net assets</b>		<b>1,559,142</b>	1,404,134
<b>Unit holders' fund (as per statement attached)</b>		<b>1,559,142</b>	1,404,134
<b>Contingency and commitment</b>	13		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>81,022,206</b>	85,168,283
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>19.2434</b>	16.4866

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

Note	Six months period ended		Three months period ended		
	2019	2018	2019	2018	
----- (Rupees in '000) -----					
<b>Income</b>					
Gain / (loss) on sale of investments - net	5,444	(8,287)	7,010	(3,016)	
Profit on bank deposits	24,136	26,678	8,374	16,986	
Income from term finance certificates and sukuk bonds	9,658	5,298	5,150	2,690	
Income from government securities	-	8,862	-	1,163	
Income from Term Deposit Receipts	3,236	-	3,236	-	
Dividend income	32,909	19,953	18,650	12,187	
Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	7.6	175,161	(103,031)	211,520	(90,617)
<b>Total Income / (loss)</b>	<b>250,544</b>	<b>(50,527)</b>	<b>253,940</b>	<b>(60,607)</b>	
<b>Expenses</b>					
Remuneration of NBP Fund Management Limited - Management Company	9.1	10,704	16,567	5,518	8,202
Sindh Sales Tax on remuneration of Management Company	9.2	1,392	2,154	718	1,067
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,202	1,332	619	662
Sindh Sales Tax on remuneration of Trustee	10.2	156	173	80	86
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	700	828	368	410
Selling and marketing expenses	9.4	7,855	2,407	4,359	1,953
Annual fee - Securities and Exchange Commission of Pakistan	11	140	704	74	348
Annual listing fee		14	14	7	7
Securities transaction costs		563	929	370	726
Settlement and bank charges		528	238	261	75
Auditors' remuneration		387	416	140	224
Professional charges		62	34	54	34
Fund rating fee		110	101	55	51
Printing and other charges		17	32	9	13
<b>Total expenses</b>		<b>23,830</b>	<b>25,929</b>	<b>12,632</b>	<b>13,858</b>
<b>Net profit / (loss) from operating activities</b>		<b>226,714</b>	<b>(76,456)</b>	<b>241,308</b>	<b>(74,465)</b>
Provision for Sindh Workers' Welfare Fund	12.1	(4,534)	-	(4,534)	-
<b>Net profit / (loss) for the period before taxation</b>		<b>222,180</b>	<b>(76,456)</b>	<b>236,774</b>	<b>(74,465)</b>
Taxation	14	-	-	-	-
<b>Net loss for the period</b>		<b>222,180</b>	<b>(76,456)</b>	<b>236,774</b>	<b>(74,465)</b>
<b>Allocation of net income for the period</b>					
Net income for the period		222,180	-	236,774	-
Income already paid on units redeemed		(1,076)	-	(1,076)	-
		<b>221,104</b>	<b>-</b>	<b>235,698</b>	<b>-</b>
<b>Accounting income available for distribution:</b>					
-Relating to capital gains		179,940	-	179,940	-
-Excluding capital gains		41,164	-	55,758	-
		<b>221,104</b>	<b>-</b>	<b>235,698</b>	<b>-</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	<b>222,180</b>	(76,456)	<b>236,774</b>	(74,465)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>222,180</u></b>	<b><u>(76,456)</u></b>	<b><u>236,774</u></b>	<b><u>(74,465)</u></b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	2019			2018		
	Value	Undistributed income	Total	Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period (audited)	894,200	509,934	1,404,134	1,010,443	643,581	1,654,024
Issue of 1,102,214 units (2018: 2,994,883 units)						
- Capital value	18,172	-	18,172	53,933	-	53,933
- Element of income	1,895	-	1,895	183	-	183
Total proceeds on issuance of units	20,067	-	20,067	54,116	-	54,116
Redemption of 5,248,291 units ( 2018: 11,197,078 units)						
- Capital value	(86,526)	-	(86,526)	(65,329)	-	(65,329)
- Element of loss	363	(1,076)	(713)	614	-	614
Total payments on redemption of units	(86,163)	(1,076)	(87,239)	(64,715)	-	(64,715)
Total comprehensive income / (loss) for the period	-	222,180	222,180	-	(76,456)	(76,456)
<b>Net assets at end of the period</b>	<b>828,104</b>	<b>731,038</b>	<b>1,559,142</b>	<b>999,844</b>	<b>567,125</b>	<b>1,566,969</b>
Undistributed income brought forward						
- Realised		660,449			730,114	
- Unrealised		(150,515)			(86,533)	
		509,934			643,581	
Accounting income available for distribution:						
- Relating to capital gains		179,940			-	
- Excluding capital gains		41,164			-	
		221,104			-	
Total comprehensive loss for the period		-			(76,456)	
Undistributed income carried forward		731,038			567,125	
Undistributed income carried forward						
- Realised		555,877			670,156	
- Unrealised		175,161			(103,031)	
		731,038			567,125	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		16.4866			18.0084	
Net assets value per unit at end of the period		19.2434			17.1789	

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

Note	2019 (Rupees in '000)	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) for the period before taxation	222,180	(76,456)
<b>Adjustments for:</b>		
Unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss' - net	(175,161)	103,031
Gain / (loss) on sale of investments - net	(5,444)	8,287
	<u>41,575</u>	<u>34,862</u>
<b>(Increase) / decrease in assets</b>		
Investments	(36,409)	10,661
Dividend and profit receivable	(65)	(3,464)
Advances, deposits and prepayments	97	(66)
	<u>(36,377)</u>	<u>7,131</u>
<b>Increase in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	602	1,972
Payable to Central Depository Company of Pakistan Limited - Trustee	133	(42)
Payable to Securities and Exchange Commission of Pakistan	(1,212)	(772)
Payable against purchase of investments	-	8,774
Accrued expenses and other liabilities	4,687	116
	<u>4,210</u>	<u>10,048</u>
<b>Net cash generated from operating activities</b>	<b>9,408</b>	<b>52,041</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issuance of units	20,067	54,116
Payment against redemption of units	(87,239)	(64,594)
<b>Net cash (used in) financing activities</b>	<b>(67,172)</b>	<b>(10,478)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(57,764)</b>	<b>41,563</b>
Cash and cash equivalents at beginning of the period	464,789	729,754
<b>Cash and cash equivalents at end of the period</b>	<b>6 <u>407,025</u></b>	<b><u>771,317</u></b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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 SIX AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** The NBP Balanced Fund (formerly NAFA Multi Asset Fund) (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited and Central Depository Company of Pakistan Limited (CDC), as Trustee. The Trust Deed was executed on 06 December 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 20 December 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The effective date of change of name of the Fund is 5 April 2019.
- 1.2** 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 Mutual Fund Association of Pakistan (MUFAP).
- 1.3** 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.
- 1.4** 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.
- 1.5** The Pakistan Credit Rating Agency (PACRA) has assigned and maintained an asset manager rating of 'AM1' of Management Company and has assigned performance rating of '4-Star' to the Fund.
- 1.6** Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan (CDC) Limited as Trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations have been followed.

- 2.1.1** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last annual financial statements.

**2.1.2** This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2) (f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

**2.2 New or Amendments / Interpretations to Existing Standards, Interpretation and Forthcoming Requirements**

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

**2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combination for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. The Fund shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the condensed interim financial information of the Fund.
- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the

interim standard, an entity has to be rate regulated - i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on the Fund's condensed interim financial information.

#### 2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund as at and for the year ended 30 June 2019.

### 4 USE OF ESTIMATES AND JUDGEMENTS

In preparing these condensed interim financial information, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the condensed interim financial information to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment are the same as those that applied to annual financial statements as at and for the year ended 30 June 2019.

### 5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

6 BANK BALANCES	Note	31 December	30 June
		2019	2019
		Unaudited	Audited
		(Rupees in '000)	
In current accounts		6,643	6,163
In savings accounts	6.1 & 6.2	400,382	458,626
		<u>407,025</u>	<u>464,789</u>

6.1 These carry a rate of return ranging from 7.05% to 13.65% (30 June 2019: 6.5% to 10.75% ) per annum.

6.2 This includes cheques amounting to Rs. 0.018 million (2019: Rs. 0.55 million) issued on account of redemption of units as at period / year end.

### 7 INVESTMENTS

#### Investment by category Financial assets 'at fair value through profit or loss'

- Listed equity securities	7.1	1,048,462	770,498
- Term finance certificates - listed	7.2	-	-
- Term finance certificates - unlisted	7.3	78,933	94,588
- Term Deposit Receipt		-	95,745
- Sukuk bonds	7.5	50,450	-
		<u>1,177,845</u>	<u>960,831</u>

## 7.1 Equity securities - Listed

All shares have a nominal face value of Rs 10 each, except for shares of Thal Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs 5 and K Electric Limited which has a face value of Rs 4.

Name of the investee company	As at 1 July 2019	Purchases during the period	Bonus issue during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 December 2019	Market value / carrying value as at 31 December 2019	Market value as a percentage of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of Shares)						(Rupees in '000)	(%)		
<b>Oil &amp; Gas Exploration Companies</b>										
Oil and Gas Development Company Limited (Refer 7.1.1)	413,396	143,500	-	-	198,500	358,396	51,007	3.27	4.33	0.01
Pakistan Oilfields Limited (Refer 7.1.1)	61,623	33,900	-	-	-	95,523	42,672	2.74	3.62	0.03
Pakistan Petroleum Limited (Refer 7.1.1)	304,452	173,000	78,890	-	85,500	470,842	64,571	4.14	5.48	0.02
Mari Petroleum Limited	26,376	7,300	3,368	-	-	37,044	48,531	3.11	4.12	0.03
	<b>805,847</b>	<b>357,700</b>	<b>82,258</b>	<b>-</b>	<b>284,000</b>	<b>961,805</b>	<b>206,781</b>	<b>13.26</b>	<b>17.55</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited (Refer 7.1.2)	95,319	34,300	25,924	-	26,500	129,043	24,730	1.59	2.10	0.03
Attock Petroleum Limited	16,261	-	-	-	-	16,261	6,013	0.39	0.51	0.02
Hascol Petroleum Limited (Refer 7.1.2)	2,152	-	-	-	1,375	777	21	-	-	-
Sui Northern gas Pipelines	161,000	241,500	-	-	-	402,500	30,658	1.97	2.60	0.06
	<b>274,732</b>	<b>275,800</b>	<b>25,924</b>	<b>-</b>	<b>27,875</b>	<b>548,581</b>	<b>61,422</b>	<b>3.95</b>	<b>5.21</b>	
<b>Fertilizers</b>										
Engro Fertilizers Limited	449,001	274,500	-	-	189,000	534,501	39,248	2.52	3.33	0.04
Fauji Fertilizer Bin Qasim Limited	-	330,000	-	-	215,500	114,500	2,235	0.14	0.19	0.01
Engro Corporation Limited	156,220	24,000	-	-	29,700	150,520	51,967	3.33	4.41	0.03
Fauji Fertilizer Company Limited	475,501	204,000	-	-	152,000	527,501	53,525	3.43	4.54	0.04
	<b>1,080,722</b>	<b>832,500</b>	<b>-</b>	<b>-</b>	<b>586,200</b>	<b>1,327,022</b>	<b>146,975</b>	<b>9.42</b>	<b>12.47</b>	
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	453,623	534,500	-	-	-	988,123	32,816	2.10	2.79	0.11
Lotte Chemical Pakistan Ltd	425,000	-	-	-	425,000	-	-	-	-	-
	<b>878,623</b>	<b>534,500</b>	<b>-</b>	<b>-</b>	<b>425,000</b>	<b>988,123</b>	<b>32,816</b>	<b>2.10</b>	<b>2.79</b>	
<b>Cement</b>										
Cherat Cement Company Limited	48,800	-	-	-	48,800	-	-	-	-	-
D.G. Khan Cement Pakistan Limited	-	154,000	-	-	60,000	94,000	6,981	0.45	0.59	0.02
Fauji Cement Company Limited	-	479,000	-	-	245,000	234,000	3,641	0.23	0.31	0.02
Kohat Cement Company Limited	102,250	21,500	-	-	-	123,750	9,578	0.61	0.81	0.06
Lucky Cement Limited (Refer 7.1.1)	41,364	31,300	-	-	-	72,664	31,129	2.00	2.64	0.02
Maple Leaf Cement Factory Limited	45,000	-	-	-	45,000	-	-	-	-	-
	<b>237,414</b>	<b>685,800</b>	<b>-</b>	<b>-</b>	<b>398,800</b>	<b>524,414</b>	<b>51,329</b>	<b>3.29</b>	<b>4.35</b>	
<b>Automobile Parts &amp; Accessories</b>										
Thal Limited	11	-	-	-	-	11	4	-	-	-
	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>4</b>	<b>-</b>	<b>-</b>	
<b>Textile Composite</b>										
Azgard Nine Limited (Non-voting shares)	807,000	-	-	-	-	807,000	5,649	0.36	0.48	14.61
Gul Ahmed Textile Mills Ltd	579,500	-	88,300	-	176,000	491,800	21,201	1.36	1.80	0.11
Kohinoor Textile Mills Limited (Refer 7.1.2)	179,113	-	-	-	-	179,113	6,998	0.45	0.59	0.06
Nishat (Chunian) Limited	194,000	-	-	-	126,000	68,000	2,900	0.19	0.25	0.03
Interloop Limited	105,918	-	-	-	-	105,918	6,149	0.39	0.52	0.01
Nishat Mills Limited (Refer 7.1.1)	134,700	80,500	-	-	-	215,200	22,841	1.46	1.94	0.06
	<b>2,000,231</b>	<b>80,500</b>	<b>88,300</b>	<b>-</b>	<b>302,000</b>	<b>1,867,031</b>	<b>65,738</b>	<b>4.21</b>	<b>5.58</b>	
<b>Technology &amp; Communication</b>										
Netsol Technologies Ltd	185,800	-	-	-	-	185,800	12,237	0.78	1.04	0.21
Avanceon Limited	23,200	-	-	-	23,200	-	-	-	-	-
P.T.C.L. A	480,000	-	-	-	-	480,000	4,493	0.29	0.38	0.01
Systems Limited	83,550	-	-	-	-	83,550	10,385	0.67	0.88	0.07
	<b>772,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,200</b>	<b>749,350</b>	<b>27,115</b>	<b>1.74</b>	<b>2.30</b>	

# NBP BALANCED FUND (FORMERLY ; NAFA MULTI ASSET FUND)



**NBP FUNDS**  
Managing Your Savings

Name of the investee company	As at 1 July 2019	Purchases during the period	Bonus issue during the period	Right shares purchased/ subscribed during the period	Sales during the period	As at 31 December 2019	Market value / carrying value as at 31 December 2019	Market value as a percentage of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of Shares)					(Rupees in '000)	(%)			
<b>Engineering</b>										
Aisha Steel Ltd	-	177,000	-	-	177,000	-	-	-	-	-
International Steels Limited	105,100	124,000	-	-	120,000	109,100	6,316	0.41	0.54	0.03
International Industries Limited	32,000	-	3,200	-	32,000	3,200	355	0.02	0.03	-
Mughal Iron & Steel Industries	381,000	211,000	-	-	-	592,000	24,254	1.56	2.06	0.24
	<b>518,100</b>	<b>512,000</b>	<b>3,200</b>	<b>-</b>	<b>329,000</b>	<b>704,300</b>	<b>30,925</b>	<b>1.99</b>	<b>2.63</b>	
<b>Power Generation &amp; Distribution</b>										
Laipir Power Limited	644,000	-	-	-	-	644,000	9,344	0.60	0.79	0.17
Pakgen Power Limited	373,000	-	-	-	-	373,000	6,833	0.44	0.58	0.10
K-Electric Limited	900,000	-	-	-	545,000	355,000	1,551	0.10	0.13	-
Saif Power Limited	130,000	-	-	-	-	130,000	2,725	0.17	0.23	0.03
The Hub Power Company Limited	573,916	213,500	-	-	-	787,416	73,505	4.71	6.28	0.06
	<b>2,620,916</b>	<b>213,500</b>	<b>-</b>	<b>-</b>	<b>545,000</b>	<b>2,289,416</b>	<b>93,958</b>	<b>6.02</b>	<b>8.01</b>	
<b>Commercial Banks</b>										
Allied Bank Limited	254,300	-	-	-	100,500	153,800	14,703	0.94	1.25	0.01
Askari Bank Limited	130,000	-	-	-	130,000	-	-	-	-	-
Bank Al-falah Limited	1,042,050	127,000	-	-	19,000	1,150,050	52,560	3.37	4.46	0.06
Bank Al-Habib Limited (Refer 7.1.1)	433,400	82,000	-	-	31,000	484,400	36,892	2.37	3.13	0.04
Bank of Punjab	737,500	-	-	-	327,000	410,500	4,651	0.30	0.39	0.02
Faysal Bank Limited (Refer 7.1.2)	228,097	-	-	-	-	228,097	4,338	0.28	0.37	0.02
Habib Bank Limited	349,680	53,500	-	-	24,000	379,180	59,691	3.83	5.07	0.03
Habib Metropolitan Bank Limited	-	-	-	-	-	-	-	-	-	-
MCB Bank Limited	91,600	65,000	-	-	-	156,600	32,094	2.06	2.72	0.01
Meezan Bank Limited	17,793	33,500	-	-	-	51,293	4,879	0.31	0.41	-
National Bank of Pakistan	70,000	62,500	-	-	-	132,500	5,737	0.37	0.49	0.01
United Bank Limited	383,091	-	-	-	64,300	318,791	52,441	3.36	4.45	0.03
	<b>3,737,511</b>	<b>423,500</b>	<b>-</b>	<b>-</b>	<b>695,800</b>	<b>3,465,211</b>	<b>267,986</b>	<b>17.19</b>	<b>22.74</b>	
<b>Insurance</b>										
Adanjee Insurance Co. Ltd	90,500	-	-	-	-	90,500	3,809	0.24	0.32	0.03
	<b>90,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,500</b>	<b>3,809</b>	<b>0.24</b>	<b>0.32</b>	
<b>Glass and Ceramics</b>										
Tariq Glass Industries Limited	119,500	2,500	-	-	-	122,000	13,054	0.84	1.11	0.17
Shabir Tiles & Ceramics Ltd	100,000	-	-	-	-	100,000	996	0.06	0.08	0.03
	<b>219,500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,000</b>	<b>14,050</b>	<b>0.90</b>	<b>1.19</b>	
<b>Paper &amp; Board</b>										
Century Paper & Board Mills Ltd	145,400	-	-	-	-	145,400	7,369	0.47	0.63	0.10
Packages Limited	-	13,500	-	-	-	13,500	5,383	0.35	0.46	0.02
Cherat Packaging Ltd	79,100	-	7,910	-	-	87,010	10,566	0.68	0.90	0.20
	<b>224,500</b>	<b>13,500</b>	<b>7,910</b>	<b>-</b>	<b>-</b>	<b>245,910</b>	<b>23,318</b>	<b>1.50</b>	<b>1.99</b>	
<b>Food and Personal Care Products</b>										
Fauji Foods Limited	10,500	-	-	-	-	10,500	152	0.01	0.01	-
Matco Foods Limited	131,000	-	-	-	-	131,000	3,365	0.22	0.29	0.11
	<b>141,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,500</b>	<b>3,517</b>	<b>0.23</b>	<b>0.30</b>	
<b>Automobile Assembler</b>										
Honda Atlas Cars (Pakistan) Ltd	-	24,700	-	-	-	24,700	5,408	0.35	0.46	0.02
Indus Motor Company Limited	1,220	-	-	-	-	1,220	1,417	0.09	0.12	-
Millat Tractors Ltd	-	13,500	-	-	-	13,500	9,510	0.61	0.81	0.03
	<b>1,220</b>	<b>38,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,420</b>	<b>16,335</b>	<b>1.05</b>	<b>1.39</b>	
<b>Pharma And Biotech</b>										
AGP Limited	-	20,000	-	-	20,000	-	-	-	-	-
Highnoon Laboratories Limited	1,140	-	-	-	-	1,140	612	0.04	0.05	-
The Searle Company Limited	-	9,000	-	-	-	9,000	1,699	0.11	0.14	-
	<b>1,140</b>	<b>29,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>10,140</b>	<b>2,311</b>	<b>0.15</b>	<b>0.19</b>	
<b>Miscellaneous</b>										
Synthetic Products Limited	2,000	-	80	-	-	2,000	73	-	0.01	-
	<b>2,000</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>73</b>	<b>-</b>	<b>0.01</b>	
<b>Total - 31 December 2019</b>	<b>13,607,017</b>	<b>3,999,000</b>	<b>207,672</b>	<b>-</b>	<b>3,636,875</b>	<b>14,176,734</b>	<b>1,048,462</b>	<b>67.24</b>	<b>89.02</b>	

Carrying value before fair value adjustment as at 31 December 2019

873,783

**7.1.1** Investments include shares with market value of Rs. 38.14 million (30 June 2019: Rs. 33.86 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 23 October 2007 issued by the SECP.

**7.1.2** 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 first day of closure of books. The tax is to be collected at source by the Company declaring bonus shares which shall be considered as final 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 filed 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. 0.94 million (30 June 2019: 0.92 million) and not yet deposited in CDC account of department of Income Tax.

## 7.2 Term finance certificates - listed

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

Name of the investee company	Number of certificates			As at 31 December 2019	Market value / carrying value as at 31 December 2019	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2019	Purchases during the period	Disposals during the period				
------(Rupees in '000)-----							
Saudi Pak Leasing Company Limited (note 7.2.1)	10,000	-	-	10,000	-	-	-

**7.2.1** This represents investment in term finance certificates with original term of nine years. On 13 October 2011 the investee company defaulted on its obligation on account of principal and profit payment. The investee company rescheduled its term on 26 December 2011 with a new maturity in March 2017. The said TFCs complied with repayment terms since it was rescheduled 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 Asset (NPA) since 30 April 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.

## 7.3 Term finance certificates - unlisted

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

Name of the investee company	Number of certificates			As at 31 December 2019	Market value / carrying value	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2019	Purchases during the period	Disposals during the period				
(Rupees in '000)							
Jahangir Siddiqui and Company Limited	8,000	-	-	8,000	15,000	0.96	1.27
Jahangir Siddiqui and Company Limited	17,100	-	-	17,100	63,933	4.10	5.43
	<b>25,100</b>	<b>-</b>	<b>-</b>	<b>25,100</b>	<b>78,933</b>	<b>5.06</b>	<b>6.70</b>
Carrying value before fair value adjustment as at 31 December 2019					<b>78,901</b>		

**7.3.1** The term finance certificates held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

**7.4** Significant terms and conditions of term finance certificates and sukuks outstanding at the period end are as follows:

## 7.5 Sukuk bonds - unlisted

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

Name of the investee company	Number of certificates			As at 31 December 2019	As at 31 December 2019 Market value/ carrying value  (Rupees in '000)	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 1 July 2019	Purchases during the period	Disposals during the period				
New Allied Electronics Industries (Private) Limited (note 7.5.1)	32,000	-	-	32,000	-	-	-
Eden Housing Limited (note 7.5.2)	10,000	-	-	10,000	-	-	-
The Hub Power Company Limited (note 7.5.3)	-	500	-	500	50,450	3.24	4.28
<b>Total as at 31 December 2019</b>	<b>42,000</b>	<b>500</b>	<b>-</b>	<b>42,500</b>	<b>50,450</b>	<b>3.24</b>	<b>4.28</b>

Carrying value before fair value adjustment as at 31 December 2019

50,000

**7.5.1** This represents investment in privately placed sukus 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 9 January 2009. The amount of provision of Rs. 19,844 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.

**7.5.2** This represents investment in privately placed sukuk bonds with a term of five years. On 06 May 2011, the issuer has defaulted its scheduled principal and profit payment and therefore it was classified as NPA by MUFAP. The amount of provision of Rs. 19.844 million 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.

**7.5.3** This represents investment in privately placed sukus with a term of four years.

**7.5.4** The sukus held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

7.5.5	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Tenor	Rating
<b>Secured</b>						
<b>Unlisted sukuk</b>						
New Allied Electronics Industries (Private) Limited	32,000	313	3 Month KIBOR offer rate plus 2.6%	27 July 2007	25 July 2016	Unrated
Eden Housing Limited	10,000	984	3 Month KIBOR offer rate plus 3%	31 March 2008	29 September 2016	Unrated
The Hub Power Company Limited	500	100,000	3 Month KIBOR offer rate plus 1.9%	22 August 2019	22 August 2023	AA+

## 7.6 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	31 December 2019	31 December 2018
	<b>Unaudited</b>	
	<b>(Rupees in '000)</b>	
Market value of investments	1,177,845	825,270
Less: Carrying value of investments	(1,050,075)	(975,692)
	127,770	(150,422)
Add: Provision against non-performing TFCs	47,391	47,391
	<u>175,161</u>	<u>(103,031)</u>

8	<b>DIVIDEND AND PROFIT RECEIVABLE</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
		<b>(Rupees in '000)</b>	
		<b>Unaudited</b>	<b>Audited</b>
	Dividend receivable on equity shares	-	132
	Profit receivable on savings and term deposits	3,896	4,758
	Profit receivable on term deposit receipts	-	139
	Income accrued on term finance certificates and sukuks	<b>14,530</b>	13,332
	Less: Income suspended over non-performing debt securities	<b>(9,188)</b>	(9,188)
		<b>5,342</b>	4,144
		<b>9,238</b>	9,173

**9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Management remuneration	9.1	1,979	2,381
Sindh Sales Tax	9.2	257	310
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	368	762
Sales and transfer load		132	8
Sindh Sales Tax on sales load		17	1
Selling and marketing expense	9.4	4,359	3,048
		<b>7,112</b>	6,510

**9.1** Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2% of average annual net assets. The Management Company has charged its remuneration at the rate of 2% of the average annual net assets of the Fund till 11 July 2019 and with effective from 12 July 2019 the Management Company has revised its remuneration rate and charged it at the rate of 1.5% of the average annual net assets of the Fund.

**9.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the period, Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) was charged on management remuneration and sales load.

**9.3** In accordance with clause 60(s) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 the management company is allowed to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less" from the mutual funds managed by it. Accordingly, such expense has been charged at the rate of 0.1% of average annual net assets of the Fund.

**9.4** As per Circular 5 of 2018 dated 4 June 2018 issued by SECP, the Asset Management Company was entitled to charge selling and marketing expense to Collective Investment Scheme upto 0.4% per annum of net assets of Fund or actual expenses whichever is lower for initial three years. Circular 11 of 2019 dated 5 July 2019, issued by SECP superseded the above stated Circular and has revised the conditions and waived capping for charging selling and marketing expense. Subsequently, the Management Company has revised selling and marketing expenses rate during the period and charged accordingly as follows:



Period	Rate per annum
1 July 2019 to 11 July 2019 whichever is lower.	0.4% of net assets or actual expenses
12 July 2019 to 16 December 2019 whichever is lower.	1.15% of net assets or actual expenses
17 December 2019 to 31 December 2019	1.35% of net assets or actual expenses whichever is lower.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	31 December	30 June
		2019 Unaudited (Rupees in '000)	2019 Audited
Remuneration payable to the Trustee	10.1	219	204
Sindh Sales Tax on remuneration of the Trustee	10.2	28	26
Settlement charges		156	40
		<u>403</u>	<u>270</u>

**10.1** Upto 30 June 2019, the Trustee was entitled to a monthly remuneration for services rendered to the Fund as stated below under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund.

Net assets	Tariff per annum
Upto Rs. 1,000 million net asset value, whichever is higher	Rs. 0.7 million or 0.20% per annum of
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net asset value exceeding Rs. 1,000 million.

However, with effective from 1 July 2019 the Trustee has revised its remuneration which is as follows:

Net assets	Tariff per annum
Upto Rs. 1,000 million	0.20% per annum of net assets,
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of net assets exceeding Rs. 1,000 million.

The remuneration is paid to the Trustee monthly in arrears.

**10.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2015. During the period, Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) was charged on trustee remuneration.

**11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Under the provisions of the NBFC Regulations, a collective investment scheme categorized as a balanced scheme is required to pay an annual fee to Securities and Exchange Commission of Pakistan, an amount equal to 0.085 percent of the average annual net assets of the Fund till 30 June 2019 and with effective from 1 July 2019 SECP has revised its fee rate to 0.02 percent per annum of the average net assets of the Fund. The fee is paid annually in arrears. The fee is paid annually in arrears.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December	30 June
		2019	2019
		Unaudited	Audited
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund	12.1	16,747	12,213
Federal excise duty on management remuneration	12.2	11,587	11,587
Federal excise duty on sales load		818	818
Auditors' remuneration		441	531
Settlement charges		131	45
Brokerage payable		287	176
Dividend payable to brokers		493	493
Legal and professional charges		45	20
Withholding and capital gain tax		214	215
Others		293	271
		<b>31,056</b>	<b>26,369</b>

**12.1** The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of Sindh WWF should be made on 12 January 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 01 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds. The reversal of provision for WWF amounting to Rs. 20.023 million and a provision for SWWF of Rs. 11.619 million upto 12 January 2017 was made. Thereafter, the provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.2067 (2019: Rs 0.1434) per unit.

**12.2** The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2019. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 11.942 million out of which Rs. 0.355 million have been paid to the Management Company (30 June 2019: Rs. 11.942 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.1474 (30 June 2019: Rs. 0.1402) per unit.

**13 CONTINGENCY AND COMMITMENT**

There was no contingency and commitment as at 31 December 2019 (30 June 2019: Nil).

**14 TAXATION**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since, the Management Company intends to distribute its accounting income as per its distribution policy for the year ending 30 June 2020 if require to ensure the compliance of this clause. Accordingly, no provision for taxation has been made in these condensed interim financial information.

**15 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 6 March 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 Scheme'.

The SECP vide circular no. 16 dated 7 July 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.

The following are the details of non-compliant investments:

Name of non-compliant investment	Non-compliance clause of	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Value as a percentage of net assets	Value as a percentage of gross assets
			----- (Rupees in '000) -----		----- (%) -----		
New Allied Electronic Industries (Private) Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	10,000	(10,000)	-	-	-
Saudi Pak Leasing Company	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Term finance certificates	27,547	(27,547)	-	-	-
Eden Housing Limited	Rating is below A- (A minus) as prescribed in clause (iv) of circular 7 of 2009	Sukuks	9,844	(9,844)	-	-	-

15.1 At the time of purchase, these term finance certificates and sukuks bonds were in compliance with the aforementioned circular. However, they subsequently defaulted or were downgraded to non investment grade.

15.2 The management is taking steps to ensure compliance with the above requirements.

**16 TOTAL EXPENSE RATIO**

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 4.06% per annum. Total expense ratio (excluding government levies) is 0.89% per annum.

**17 TRANSACTIONS WITH CONNECTED PERSONS**

17.1 Connected persons include NBP Fund Management Limited (NBP Funds) being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, entities under common management or directorships, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company and unit holders holding 10 percent or more units of the Fund.

17.2 The transactions with connected persons are in the normal course of business, at contracted / agreed rates.

17.3 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.

17.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust of Deed.

17.5 Details of transactions with connected persons are as follows:

	(Un-audited)	
	31 December 2019	31 December 2018
	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of NBP Fund Management Limited - Management Company	10,704	16,567
Sindh Sales Tax on remuneration of the Management Company	1,392	2,154
Allocation of expenses related to registrar services, accounting, operation and valuation services	700	828
Sales Load	771	979
Selling and Marketing expense	7,855	2,407
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,202	1,332
Sindh Sales Tax on remuneration of the Trustee	156	173
CDS charges	144	3
<b>Employees of Management Company</b>		
Units redeemed / transferred out 17,269 units (31 December 2018: Nil units)	284	-
Units issued / dividend re - invest 568 units (31 December 2018: Nil units)	10	-
<b>Portfolio managed by Management Company</b>		
Units issued : 163,569 (2018 : Nil)	2,636	-
Units redeemed : 1,047,940 (2018 : Nil)	17,695	-
<b>Taurus Securities Limited - Subsidiary of Parent Company</b>		
Brokerage charges	34	54
<b>Summit Bank Limited*</b>		
Bank profit	-	1
<b>Askari Bank*</b>		
Bank Profit	-	27

	(Un-audited)	
	31 December 2019	31 December 2018
	(Rupees in '000)	
<b>The Hub Power Company Limited **</b>		
Purchase of 213,500 shares	14,633	-
Purchase of sukuk	50,000	-
Income on sukuk	3,124	
<b>Fauji Fertilizer Company Limited**</b>		
Purchase of 204,000 shares	19,462	-
Sold 152,000 shares	14,562	-
Dividend Income	3,163	-
<b>National Bank of Pakistan</b>		
Purchase of 62,500 shares	1,908	-
<b>Pakistan Stock Exchange Limited*</b>		
Listing fee paid	25	-
<b>National Clearing Company of Pakistan Limited</b>		
NCCPL charges	275	-
<b>International Steels Limited</b>		
Purchase of 124,000 shares	4,605	-
Sold 120,000 shares	4,775	-
Dividend Income	239	-
<b>17.6 Amounts outstanding as at period / year end are as follows:</b>		
	<b>31 December 2019</b>	<b>30 June 2019</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>(Rupees in '000)</b>	
<b>NBP Fund Management Limited - Management Company</b>		
Management remuneration	1,979	2,381
Sindh Sales Tax	257	310
Allocation of expenses related to registrar services, accounting, operation and valuation services	368	762
Sales load and sales tax payable	149	9
Selling and Marketing Expense	4,359	3,048
<b>Employees of the Management Company</b>		
Units held: 1,551 units (2019: 18,252 units)	314	301
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	219	204
Sindh Sales Tax on remuneration of the Trustee	28	26
Settlement charges payable	156	40
Security deposit	100	-
<b>Bank Islami Pakistan Limited</b>		
Bank Balance in savings account	-	6
<b>Askari Bank Limited*</b>		
Bank Balance in savings account	-	6,895
Shares held: 254,300 shares (2019: 214,000 shares)	-	2,458

	<b>31 December 2019 Unaudited (Rupees in '000)</b>	<b>30 June 2019 Audited</b>
<b>National Bank of Pakistan</b>		
Bank Balance in current account	3,719	3,113
Shares held : 132,500	5,737	-
<b>NBP Employees Pension Fund</b>		
Units held: 26,464,902 units (2019: 26,464,902 units)	509,275	436,316
<b>Karachi Electric Provident Fund</b>		
Units held: 34,224,720 units (2019: 34,224,720 units)	658,600	564,249
<b>Summit Bank*</b>		
Bank balance in current account	-	3,094
<b>International Steel Limited</b>		
Shares held: 120,000 shares (2019: 100,100 shares)	4,598	4,174
<b>International Industries Limited*</b>		
Shares held: Nil shares (2019: 52,300 shares)	-	2,466
<b>National Clearing Company of Pakistan Limited</b>		
NCCPL chares payable	131	-
Security deposit	2,750	2,750
<b>The Hub Power Company Limited**</b>		
Shares held : 787,416 shares	73,505	-
Sukuk held	50,450	-
<b>Fauji Fertilizer Company Limited**</b>		
Shares held : 527,500 shares	53,525	-

\* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties as at the period end.

\*\* Comparative balances with these parties have not been disclosed as these parties were not related parties in the last term.

## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurement' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		31 December 2019						
		Carrying amount			Fair value			
		At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Unaudited)						
		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investment								
- Equity securities - listed		1,048,462	-	1,048,462	1,048,462	-	-	1,048,462
- Term finance certificates - unlisted		78,933	-	78,933	-	78,933	-	78,933
- Sukuk bonds		50,450	-	50,450	-	50,450	-	50,450
		<u>1,177,845</u>	<u>-</u>	<u>1,177,845</u>	<u>1,048,462</u>	<u>129,383</u>	<u>-</u>	<u>1,177,845</u>
<b>Financial assets not measured at fair value</b> 18.1								
Bank balances		-	407,025	407,025	-	-	-	-
Profit receivables		-	9,238	9,238	-	-	-	-
Deposits		-	2,850	2,850	-	-	-	-
		<u>-</u>	<u>419,113</u>	<u>419,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b> 18.1								
Payable to NBP Fund Management Limited - Management Company		-	7,112	7,112	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	403	403	-	-	-	-
Accrued expenses and other liabilities		-	1,690	1,690	-	-	-	-
		<u>-</u>	<u>9,205</u>	<u>9,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		30 June 2019						
		Carrying amount			Fair value			
		At fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Audited)						
		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
Investments								
- Equity securities - listed		770,498	-	770,498	770,498	-	-	770,498
- Term deposit receipt		95,745	-	95,745	-	95,745	-	95,745
- Term finance certificates - unlisted		94,588	-	94,588	-	94,588	-	94,588
		<u>960,831</u>	<u>-</u>	<u>960,831</u>	<u>770,498</u>	<u>190,333</u>	<u>-</u>	<u>960,831</u>
<b>Financial assets not measured at fair value</b>								
Bank balances		-	464,789	464,789	-	-	-	-
Dividend and profit receivables		-	9,173	9,173	-	-	-	-
Deposits		-	2,850	2,850	-	-	-	-
		<u>-</u>	<u>476,812</u>	<u>476,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>								
Payable to NBP Fund Management Limited - Management Company		-	6,510	6,510	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee		-	270	270	-	-	-	-
Accrued expenses and other liabilities		-	1,536	1,536	-	-	-	-
		<u>-</u>	<u>8,316</u>	<u>8,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**18.1** The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically.

Therefore, their carrying amounts are reasonable approximation of fair value.

**18.2** Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the

Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets

attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

**19 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on **February 27, 2020**.

For NBP Fund Management Limited  
(Management Company)

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Chief Financial Officer

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Chief Executive Officer

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Director










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