



NBP FUNDS

Managing Your Savings

AM1
Rated by PACRA

**NAFA GOVERNMENT SECURITIES
SAVINGS 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.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS	16



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
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Khushali Microfinance Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
The First Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
Zarai Taraqati Bank Limited

NBP GOVERNMENT SECURITIES SAVINGS FUND (FORMERLY NAFA GOVERNMENT SECURITIES SAVINGS FUND)



NBP FUNDS
Managing Your Savings

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpffunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Phone: 051-2514987
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

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 financial statements of **NBP Government Securities Savings Fund (NGSSF)** (Formerly; NAFA Government Securities Savings Fund) for the half year ended December 31, 2019.

Fund's Performance

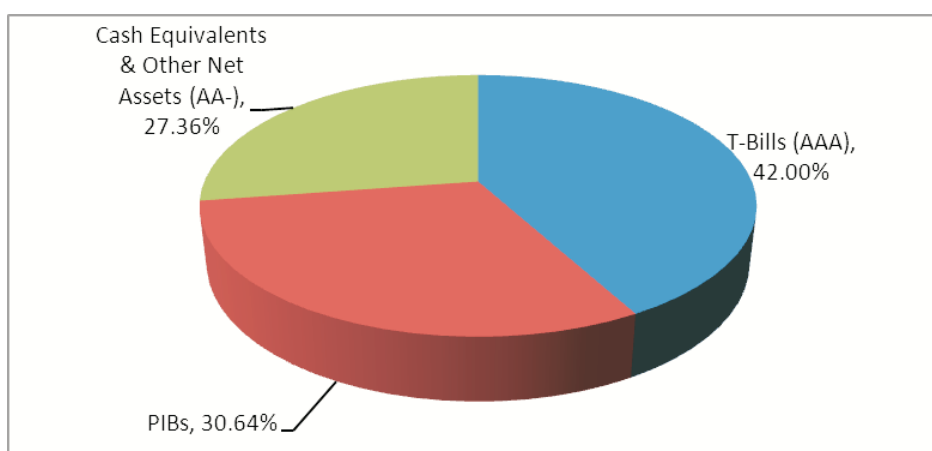
The size of NBP Government Securities Savings Fund has decreased from Rs. 1,092 million to Rs. 688 million during the period, a decline of 37%. During the period, the unit price of the Fund has increased from Rs. 9.4618 (Ex-Div) on June 30, 2019 to Rs. 10.3368 on December 31, 2019, thus showing return of 18.3% p.a. as compared to the benchmark return of 13.5% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses. The Fund has been assigned a stability rating of 'AA- (f)' by PACRA.

NBP Government Securities Savings Fund (NGSSF) invests a minimum of 70% in Government Securities. The Fund invests at least 10% of its assets in less than 90 days T-Bills or saving accounts with banks, which enhances liquidity profile of the Fund.

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 uptick 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.

Six (6) PIB auctions were also held where SBP realized a total of Rs. 1,375 billion. The (last) cut-off yields for 3, 5 and 10 years were 11.75%, 11.19% and 11.00% respectively. Owing to the decreasing interest rate expectations, the sovereign yields witnessed a decline in longer term securities whereas investors' preference remained tilted towards medium-to-short term government securities.

The Fund has earned a total income of Rs 60.02 million during the period. After deducting total expenses of Rs 6.26 million, the net income is Rs. 53.76 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSSF:



NBP GOVERNMENT SECURITIES SAVINGS FUND (FORMERLY NAFA GOVERNMENT SECURITIES SAVINGS FUND)



NBP FUNDS
Managing Your Savings

Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 8.92% of the opening ex-NAV (9.21% of the par value) during the period ended December 31, 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: February 27, 2020
Place: Karachi.

ڈائریکٹرز کی رپورٹ

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

فنڈ کی کارکردگی

اس مدت کے دوران NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کا سائز 1,092 ملین روپے سے کم ہو کر 688 ملین روپے ہو گیا یعنی 37% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2019 کو 9.4618 روپے (Ex-Div) سے بڑھ کر 31 دسمبر 2019 کو 10.3368 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے نیچ مارک 18.3% کے مقابلے میں 13.5% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے مستحکم ریٹنگ "AA-(f)" دی گئی ہے۔

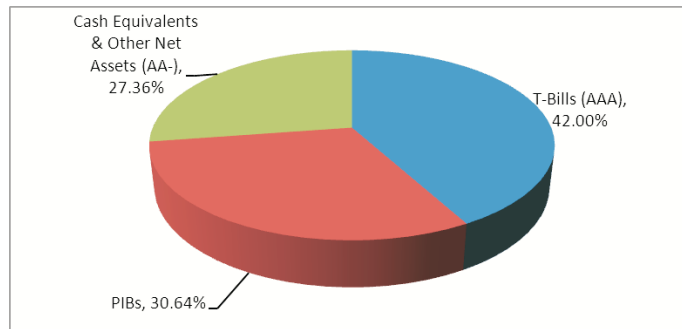
NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) کم از کم 70% گورنمنٹ سیکورٹیز میں سرمایہ کاری کرتا ہے۔ فنڈ اپنے اثاثوں کا کم از کم 10 فیصد 90 دنوں سے کم ٹی بلز میں یا بینکوں کے ہاں سیونگزا کاؤنٹس میں سرمایہ کاری کرتی ہے، جو فنڈ کی لیکویڈیٹی پر فائل کو بڑھاتی ہے۔

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 ماہی پالیسی کے اجلاس میں پالیسی ریٹ کو 100bps کے اضافہ کے ساتھ 13.25 فی صد تک بڑھا دیا۔ دیگر دو ماہی پالیسی بیانات میں افراط زر میں اضافہ کے باوجود SBP نے پالیسی ریٹ کو مستحکم رکھا۔ اس مدت میں SBP نے چودہ (14) T-Bills (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 yield بالترتیب 13.49 فی صد، 13.29 فی صد اور 13.13 فی صد رہی۔

PIB کی چھ (6) نیلامیوں کا بھی اہتمام کیا گیا جہاں SBP نے 1,375 ملین روپے حاصل کئے۔ 3، 5 اور 10 سالوں کے لئے (آخری) کٹ آف yield بالترتیب 11.75 فی صد، 11.19 فی صد اور 11.00 فی صد تھی۔ شرح سود میں کمی کی توقعات کے پیش نظر طویل مدتی سیکورٹیز میں غیر ملکی yieldز میں کمی دیکھی گئی۔ جب کہ سرمایہ کاروں کی ترجیح اوسط یا قلیل مدتی حکومتی سیکورٹیز میں رہی۔

فنڈ نے اس مدت کے دوران 60.02 ملین روپے کی مجموعی آمدنی کمائی۔ 6.26 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 53.76 ملین روپے ہے۔

درج ذیل چارٹ NBP گورنمنٹ سیکورٹیز سیونگ فنڈ کی ایسٹ ایبلویشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





آمدنی کی تقسیم

میتجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2019 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 8.92% (بنیادی قدر کا 9.21%) عبوری نقد ڈیویڈنڈ منظور کیا۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میتجمنٹ 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 ڈسٹریبیوٹرز 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 فنڈز میتجمنٹ 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 Government Securities Savings Fund [formerly NAFA Government Securities Savings 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 Government Securities Savings Fund (Formerly NAFA Government Securities Savings Fund) (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year then ended. The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

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 condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2018 was reviewed and the financial statements of the Fund for the year ended June 30, 2019 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 25, 2019 and September 27, 2019 respectively.

A.F. Ferguson & Co.
Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2020
Karachi

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

	Note	Unaudited December 31, 2019	Audited June 30, 2019
----- (Rupees in 000) -----			
Assets			
Bank balances	4	444,478	861,816
Investments	5	534,771	736,275
Profit receivable		9,240	12,356
Receivable against issuance of units		490	-
Deposit, prepayment and other receivables		842	994
Total assets		<u>989,821</u>	<u>1,611,441</u>
Liabilities			
Payable to NBP Fund Management Limited - Management Company	6	4,987	3,804
Payable to Central Depository Company of Pakistan Limited - Trustee	7	35	155
Payable to the Securities and Exchange Commission of Pakistan	8	79	536
Payable against purchase of investments		288,902	509,729
Payable against redemption of units		3,368	-
Accrued expenses and other liabilities	9	4,508	4,920
Total liabilities		<u>301,879</u>	<u>519,144</u>
Net assets		<u>687,942</u>	<u>1,092,297</u>
Unit holders' fund (as per statement attached)		<u>687,942</u>	<u>1,092,297</u>
Contingencies and commitments	10		
----- (Number of units) -----			
Number of units in issue		<u>66,552,533</u>	<u>105,846,683</u>
----- (Rupees) -----			
Net assets value per unit		<u>10.3368</u>	<u>10.3196</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	Half year ended December 31,		Quarter ended December 31,	
		2019	2018	2019	2018
(Rupees in '000)					
Income					
Income on Pakistan investment bonds		14,206	-	8,667	-
Income on Market treasury bills		22,861	3,687	9,859	1,701
Income on Term deposit receipts		1,062	-	1,062	-
Profit on bank deposits		16,041	1,902	8,235	1,044
Gain / (loss) on sale of investments - net		1,721	(63)	1,693	(47)
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss		4,125	1	2,734	28
Total income		60,016	5,527	32,250	2,726
Expenses					
Remuneration of NBP Fund Management Limited - Management Company	6.1	1,135	345	609	121
Sindh sales tax on remuneration of Management Company		147	45	79	16
Remuneration of Central Depository Company of Pakistan Limited - Trustee		257	109	133	49
Sindh sales tax on remuneration of the Trustee		33	14	17	6
Annual fee of the Securities and Exchange Commission of Pakistan		79	48	41	21
Allocated expenses	6.3	394	64	204	29
Auditors' remuneration		221	136	156	99
Securities transaction cost		74	-	64	-
Settlement and bank charges		56	29	45	18
Listing fee		14	11	8	2
Professional charges		18	13	-	5
Mutual fund rating fee		166	167	87	93
Selling and marketing expense	6.4	2,530	115	1,430	83
Printing and other charges		36	18	30	5
Operating expenses		5,160	1,114	2,903	547
Net income from operating activities		54,856	4,413	29,347	2,179
Provision against Sindh Workers' Welfare Fund	9.1	(1,097)	(88)	(587)	(43)
Net income for the period before taxation		53,759	4,325	28,760	2,136
Taxation	11	-	-	-	-
Net income for the period after taxation		53,759	4,325	28,760	2,136
Earnings per unit	12				
Allocation of net income for the period					
Net income for the period after taxation		53,759	4,325		
Income already paid on units redeemed		(28,456)	(809)		
		25,303	3,516		
Accounting income available for distribution:					
- Relating to capital gains		95	-		
- Excluding capital gains		25,208	3,516		
		25,303	3,516		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	53,759	4,325	28,760	2,136
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	53,759	4,325	28,760	2,136

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended December 31, 2019			Half year ended December 31, 2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period (audited)	1,051,874	40,423	1,092,297	98,668	45,221	143,889
Issuance of 182,083,211 units (2018: 2,235,960 units)						
- Capital value	1,879,028	-	1,879,028	23,041	-	23,041
- Element of income	45,400	-	45,400	162	-	162
Total proceeds on issuance of units	1,924,428	-	1,924,428	23,203	-	23,203
Redemption of 221,377,361 units (2018: 5,443,038 units)						
- Capital value	(2,284,526)	-	(2,284,526)	(56,088)	-	(56,088)
- Element of loss	(5,445)	(28,456)	(33,901)	(41)	(809)	(850)
Total payments on redemption of units	(2,289,971)	(28,456)	(2,318,427)	(56,129)	(809)	(56,938)
Total comprehensive income for the period	-	53,759	53,759	-	4,325	4,325
Distribution during the period						
Cash distribution for the half year ended December 31, 2019						
-@Re. 0.7207 per unit (date of declaration: October 29, 2019)	(36,670)	(15,298)	(51,968)	-	-	-
-@Re. 0.0726 per unit (date of declaration: November 28, 2019)	(800)	(2,959)	(3,759)	-	-	-
-@Re. 0.1274 per unit (date of declaration: December 27, 2019)	(2,475)	(5,913)	(8,388)	-	-	-
	(39,945)	(24,170)	(64,115)	-	-	-
Distribution for the year ended June 30, 2018: 5.16% (Date of declaration: 04 July 2018)	-	-	-	(500)	(6,364)	(6,864)
Total distribution	-	-	-	(500)	(6,364)	(6,864)
Net assets at end of the period (un-audited)	646,386	41,556	687,942	65,242	42,373	107,615
Undistributed income brought forward						
- Realised income		46,868			45,280	
- Unrealised loss		(6,445)			(59)	
		40,423			45,221	
Accounting income available for distribution:						
- Relating to capital gains	95			-		
- Excluding capital gains	25,208			3,516		
	25,303			3,516		
Distribution for the half year ended December 31, 2019 (for the year ended June 30, 2018)	(24,170)			(6,364)		
Undistributed income carried forward	41,556			42,373		
Undistributed income carried forward						
- Realised		37,431			42,372	
- Unrealised		4,125			1	
		41,556			42,373	
Net assets value per unit at beginning of the period			(Rupees) 10.3196			(Rupees) 10.8208
Net assets value per unit at end of the period			10.3368			10.6651

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Half year ended December 31,	
	2019	2018
	----- (Rupees in 000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	53,759	4,325
Adjustments:		
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	(4,125)	(1)
	<u>49,634</u>	<u>4,324</u>
(Increase) / decrease in assets		
Investments - net	205,629	31,842
Profit receivable	3,116	(308)
Deposits, prepayment and other receivable	152	(11)
	<u>208,897</u>	<u>31,523</u>
(Decrease) / (increase) in liabilities		
Payable to NBP Fund Management Limited - Management Company	1,183	113
Payable to Central Depository Company of Pakistan Limited - Trustee	(120)	(5)
Payable to the Securities and Exchange Commission of Pakistan	(457)	(66)
Payable against purchase of investments	(220,827)	10,968
Accrued expenses and other liabilities	(412)	(161)
	<u>(220,633)</u>	<u>10,849</u>
Net cash generated from operating activities	<u>37,898</u>	<u>46,696</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of units	1,883,993	22,703
Payments on redemption of units	(2,315,059)	(56,938)
Distributions paid	(24,170)	(6,364)
Net cash flows used in financing activities	<u>(455,236)</u>	<u>(40,599)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(417,338)</u>	<u>6,097</u>
Cash and cash equivalents at the beginning of the period	861,816	103,911
Cash and cash equivalents at the end of the period	<u>444,478</u>	<u>110,008</u>

The annexed notes 1 to 17 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NBP Government Securities Savings Fund (Formerly NAFA Government Securities Savings Fund) (the Fund) was established under a Trust Deed entered into between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 5, 2014 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 30, 2014.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3** The Fund has been categorised as an open ended 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009.
- 1.4** The objective of the Fund is to provide unit holders with competitive return from a portfolio of low credit risk securities by investing primarily in government securities.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has maintain an asset manager rating of AM1 as at December 24, 2019 to the Management Company and performance ranking of AA-(f) as at October 18, 2019 to the Fund.
- 1.6** The title to the assets of the Fund is held in the name of CDC as the 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 as applicable in Pakistan for interim financial reporting comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.



2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2019.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore, have not been stated in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

The following amendments to the published accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Standards, amendments and interpretations	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

3.4.1 There are certain other standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these condensed interim financial statements.

NBP GOVERNMENT SECURITIES SAVINGS FUND (FORMERLY NAFA GOVERNMENT SECURITIES SAVINGS FUND)



NBP FUNDS
Managing Your Savings

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in 000) -----	
4	BANK BALANCES		
	In current accounts	1,013	1,059
	In savings accounts	443,465	860,757
		<u>444,478</u>	<u>861,816</u>

4.1 These include balances of Rs 1.76 million (June 30, 2019: Rs 0.49 million) and Rs 0.38 million (June 30, 2019: Rs 0.45 million) maintained with BankIslami Pakistan Limited and National Bank of Pakistan (related parties), that carry profit at the rate ranging from 13% to 13.5% (June 30, 2019: 13.5%) per annum. Other savings accounts of the Fund carry profit at the rate ranging from 11.1% to 15.5% (June 30, 2019: 3.75% to 14.5%) per annum.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in 000) -----	
5	INVESTMENTS		
	Financial assets 'at fair value through profit or loss'		
	Pakistan Investment Bonds	210,808	226,546
	Market Treasury Bills	288,963	509,729
	Term deposit receipt	35,000	-
		<u>534,771</u>	<u>736,275</u>

5.1 Pakistan Investment Bonds

Issue date	Tenor in years	Face value				Market value as at December 31, 2019	Market value as a percentage of	
		As at July 01, 2019	Purchases during the period	Sales / matured during the period	As at December 31, 2019		net assets of the Fund	total investments of the Fund
		----- (Rupees in 000) -----				----- (%) -----		
July 19, 2012	10	-	25,000	-	25,000	25,077	3.65	4.69
July 12, 2018	3	255,000	-	255,000	-	-	-	-
September 19, 2019	3	-	270,000	150,000	120,000	112,419	16.34	21.02
September 19, 2019	5	-	177,500	100,000	77,500	73,312	10.66	13.71
Total		<u>255,000</u>	<u>472,500</u>	<u>505,000</u>	<u>222,500</u>	<u>210,808</u>		
Carrying value as at December 31, 2019						<u>206,743</u>		
Market value as at June 30, 2019						<u>226,546</u>		
Carrying value as at June 30, 2019						<u>232,990</u>		



5.1.1 These carry rate of return ranging from 11.19% to 14.01% (June 30, 2019: 7.25%) per annum.

5.2 Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2019	Market value as a percentage of	
		As at July 01, 2019	Purchases during the period	Sales / matured during the period	As at December 31, 2019		net assets of the Fund	total investments of the Fund
----- (Rupees in 000) ----- (%) -----								
May 9, 2019	3	515,000	50,000	565,000	-	-	-	-
July 18, 2019	3	-	630,000	630,000	-	-	-	-
October 10, 2019	3	-	105,000	105,000	-	-	-	-
October 10, 2019	12	-	62,550	62,550	-	-	-	-
August 1, 2019	3	-	124,000	124,000	-	-	-	-
August 29, 2019	12	-	100,000	100,000	-	-	-	-
October 24, 2019	12	-	93,000	93,000	-	-	-	-
August 16, 2019	3	-	519,300	519,300	-	-	-	-
November 7, 2019	3	-	980,000	880,000	100,000	89,985	13.08	16.83
October 24, 2019	12	-	93,000	93,000	-	-	-	-
October 24, 2019	3	-	200,000	-	200,000	198,978	28.92	37.21
Total		515,000	2,956,850	3,171,850	300,000	288,963		
Carrying value as at December 31, 2019						288,902		
Market value as at June 30, 2019						509,729		
Carrying value as at June 30, 2019						509,729		

5.2.1 These carry rate of return ranging from 12.3% to 13.75% (June 30, 2019: 12.58%) per annum.

5.3 Term Deposit Receipt

This is maintained with Mobilink Microfinance Bank Limited and carries profit at the rate of 15.6% (June 30, 2019: Nil) per annum, with maturity on October 31, 2020.

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

	Note	Unaudited	
		December 31, 2019	June 30, 2019
		----- (Rupees in 000) -----	
Market value of investments	5	534,771	736,275
Less: carrying value of investments		(530,645)	(742,720)
		<u>4,126</u>	<u>(6,445)</u>

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in 000) -----	
6	PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration of the Management Company	6.1 124	555
	Sindh sales tax on remuneration of the Management Company	16	72
	Federal excise duty on remuneration of the Management Company	6.2 1,864	1,864
	Federal excise duty on sales load	6.2 371	371
	Sales and transfer load	808	201
	Sindh sales tax on sales load	125	46
	Allocated expenses payable	6.3 204	650
	Other payable	45	45
	Selling and marketing expenses	6.4 1,430	-
		<u>4,987</u>	<u>3,804</u>

6.1 The Management Company has charged its remuneration at the rate of 5% on net income, subject to floor and capping of 0.3% and 1% per annum of the average annual net assets from July 1, 2019 to July 11, 2019 and at the rate of 1.5% on net income, subject to floor and capping of 0.2% and 1% per annum of the average annual net assets from July 12, 2019 to December 31, 2019 (June 30, 2019: at the rate of 10% on net income, subject to floor and capping of 0.5% and 1.5% per annum of the average annual net assets till September 9, 2018 and at the rate of 5% on net income, subject to floor and capping of 0.3% and 1% per annum of the average annual net assets from September 10, 2018 to June 30, 2019). The remuneration is payable to the Management Company monthly in arrears.

6.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable High Court of Sindh (HCS) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, HCS passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 2.24 million (June 30, 2019: Rs 2.24 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re 0.0336 (June 30, 2019: Re 0.0211) per unit.

6.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 6.4** The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised condition.

Accordingly, the Management Company based on its own discretion has not charged any selling and marketing expenses from July 1, 2019 to July 11, 2019. Thereafter the selling and marketing expenses have been charged at the rate of 0.7% per annum of the average annual net assets from July 12, 2019 to December 31, 2019 (June 30, 2019: 0.4% per annum of the average annual net assets). This has been duly approved by the Board of Directors of the Management Company.

7	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
			----- (Rupees in 000) -----	
	Payable to the Trustee	7.1	31	137
	Sindh sales tax on Trustee remuneration		<u>4</u>	<u>18</u>
			<u>35</u>	<u>155</u>

- 7.1** During the period, the Fund has charged Trustee remuneration at the rate of 0.075% per annum of the average annual net assets (June 30, 2019: on net assets upto Rs 1,000 million at the rate of 0.17% per annum of net assets, on net assets from Rs 1,000 million to Rs 5,000 million at the rate of Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1,000 million and on net assets exceeding Rs 5,000 million at the rate of Rs 5.1 million plus 0.07% per annum of net assets exceeding Rs 5,000 million).

8	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
			----- (Rupees in 000) -----	
	Annual fee payable	8.1	<u>79</u>	<u>536</u>

- 8.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee (applicable to all categories of CISs) to 0.02% per annum of the average annual net assets of the Fund. Previously, the rate of annual fee applicable to income funds was 0.075% per annum of the average annual net assets. Accordingly, the Fund has charged SECP fee at the rate of 0.02% per annum of the average annual net assets during the current period.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
		----- (Rupees in 000) -----	
9	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision against Sindh Workers' Welfare Fund	2,817	1,720
	Auditors' remuneration	490	269
	Brokerage payable	64	25
	Dividend payable	-	25
	Bank charges	28	70
	Printing charges	18	46
	Withholding tax	1,020	535
	Capital gains tax	33	2,199
	Legal fee	38	31
		<u>4,508</u>	<u>4,920</u>

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CIS / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value per unit of the Fund as at December 31, 2019 would have been higher by Re. 0.0423 (June 30, 2019: Re 0.0162) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

11 TAXATION

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

12 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2019 is 1.59% (June 30, 2019: 1.24%) which includes 0.34 (June 30, 2019: 0.32%) representing government levies on the Fund such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

14.1 Related parties / connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan, Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, Funds under management of the Management Company, directors and key management personnel of the Management Company and other associated companies. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

14.2 Transactions with related parties / connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

14.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.

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

	(Un-audited) Half Year ended December 31, 2019	(Un-audited) December 31, 2018
	----- Rupees in '000 -----	
NBP Fund Management Limited Management Company		
Remuneration of the Management Company	1,135	345
Sindh sales tax on remuneration of Management Company	147	45
Selling and marketing expense	2,530	115
Allocated expenses	394	64
Sales and transfer load	607	44
Units issued: Nil (December 31, 2018: 23,289 units)	-	-
Dividend re - investment: Nil (December 31, 2018: 331.036 units)	-	3,414
Units redeemed: 9,842,418 units (December 31, 2018: 3,423,160 units)	105,248	36,000
National Bank of Pakistan		
Purchases of Market Treasury Bills	274,410	-
Purchases of Pakistan Investment Bonds	93,536	-
Profit income	17	-
BankIslami Pakistan Limited		
Profit income	5	-
Shahid Abdullah - unit holder holding 10% or more units		
Dividend reinvestment: 152,478 units (December 31, 2018: Nil units)	1,574	-
Bonus issue: 308,289 units (December 31, 2018: Nil units)	-	-
Units issued: 8,412,646 (December 31, 2018: Nil units)	91,723	-
Ansaar Management Company (Private) Limited - unit holder holding 10% or more units*		
Dividend reinvestment: 24,956 units (December 31, 2018: Nil units)	257	-
Bonus issue: 515,636 units (December 31, 2018: Nil units)	-	-

NBP GOVERNMENT SECURITIES SAVINGS FUND (FORMERLY NAFA GOVERNMENT SECURITIES SAVINGS FUND)



	(Un-audited) Half Year ended	(Un-audited)
	December 31, 2019	December 31, 2018
----- Rupees in '000 -----		
Employees of the Management Company		
Dividend reinvestment: 2,686 units (December 31, 2018: 1,365 units)	28	14
Units issued: 204,016 units (December 31, 2018: 966 units)	2,213	10
Units redeemed: 204,033 units (December 31, 2018: 965 units)	2,230	10
NBP Mahana Amdani Fund		
Sales of Market Treasury Bills	82,978	-
Portfolio managed by the Management Company		
Purchases of Pakistan Investment Bonds	24,759	
Purchases of Market Treasury Bills	53,781	-
Sales of Pakistan Investment Bonds	8,271	
Units redeemed: 3,952,715 units (December 31, 2018: 965 units)	41,401	-
NBP Financial Sector Income Fund		
Purchases of Market Treasury Bills	179,430	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	257	109
Sindh sales tax on remuneration of the Trustee	33	14
Pakistan Stock Exchange Limited*		
Listing fee paid	25	-

14.5 Amounts outstanding as at period / year end are as follows

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	----- (Rupees in 000) -----	
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	124	555
Sindh sales tax on remuneration of the Management Company	16	72
Federal excise duty on remuneration of the Management Company	1,864	1,864
Federal excise duty on sales load	371	371
Sales and transfer load	808	201
Sindh sales tax on sales load	125	46
Allocated expenses payable	204	650
Other payable	45	45
Selling and marketing expenses	1,430	-
Units held: Nil (2019: 9,842,418 units)	-	101,570
Employees of the Management Company		
Units held: 37,386 units (2019: 34,717 units)	386	358
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	31	137
Sindh sales tax payable on remuneration of the Trustee	4	18
Security deposit	102	102
Shahid Abdullah - unit holder holding 10% or more units		
Units held: 8,873,414 (2019: Nil)	91,723	-
Ansaar Management Company (Private) Limited - unit holder holding 10% or more units*		
Units held: 19,405,542 (2019: Nil)	200,591	-

NBP GOVERNMENT SECURITIES SAVINGS FUND (FORMERLY NAFA GOVERNMENT SECURITIES SAVINGS FUND)



	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	----- (Rupees in 000) -----	
Portfolio managed by the Management Company		
Units held: Nil (2019: 35,536,861 units)	-	366,726
National Bank of Pakistan		
Bank balances	383	449
Summit Bank Limited**		
Bank balances	-	1,059
BankIslami Pakistan Limited		
Bank balances	1,760	49

* Prior period figure has not been presented as the person was not classified as a related party / connected person of the Fund as at June 30, 2019.

** Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2019.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

15.1 Fair value hierarchy

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

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 : unobservable inputs for the asset or liability.

As at December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

----- As at December 31, 2019 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Pakistan Investment Bonds	-	210,808	-	210,808
Market Treasury Bills	-	288,963	-	288,963
Term deposit receipt*	-	35,000	-	35,000
	-	534,771	-	534,771

----- As at June 30, 2019 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
ASSETS				
Financial assets 'at fair value through profit or loss'				
Pakistan Investment Bonds	-	226,546	-	226,546
Market Treasury Bills	-	509,729	-	509,729
Term deposit receipt	-	-	-	-
	-	736,275	-	736,275

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

16 GENERAL

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

16.2 No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 27, 2020.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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Head Office

7th Floor, Clifton Diamond Building, Block No.4,
Scheme No.5, Clifton, Karachi.

UAN: 021-111-111-632

Toll Free: 0800-20002

Sms: INVEST to 9995

Fax: 021-35825335

Email: info@nbpffunds.com

Website: www.nbpffunds.com

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