

NBP ISLAMIC DAILY DIVIDEND 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
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS	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

Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Meezan Bank Limited
National Bank of Pakistan



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 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

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

Lahore Office:

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

Islamabad Office:

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

Peshawar Office:

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

Multan Office:

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

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Daily Dividend Fund (NIDDF)** from November 02, 2019 till December 31, 2019.

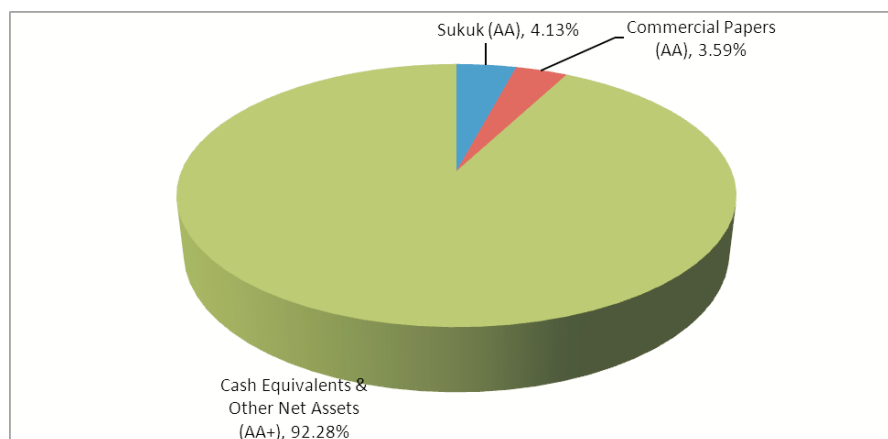
Fund's Performance

The size of NBP Islamic Daily Dividend Fund is Rs. 1,089 million as at December 31, 2019. The Fund has earned an annualized return of 12.8% p.a. since its inception (November 01, 2019) as compared to its benchmark return of 5.4% p.a. The performance of the Fund is net of management fee and all other expenses.

NIDDF is categorized as a Shariah Compliant Money Market Fund. The fund aims to consistently provide better return than the profit rates offered by Islamic Banks / Islamic windows of commercial banks. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days, thereby providing easy liquidity along with a high-quality credit profile.

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 Fund has earned a total income of Rs. 8.81 million during the period. After deducting total expenses of Rs. 0.72 million, the net income is Rs. 8.09 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIDDF:



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 12.80% of the opening ex-NAV (12.80% of the par value) for 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 رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 02 نومبر 2019ء سے لے کر 31 دسمبر 2019ء کو ختم ہونے والی مدت کے لئے NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ (NIDDF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

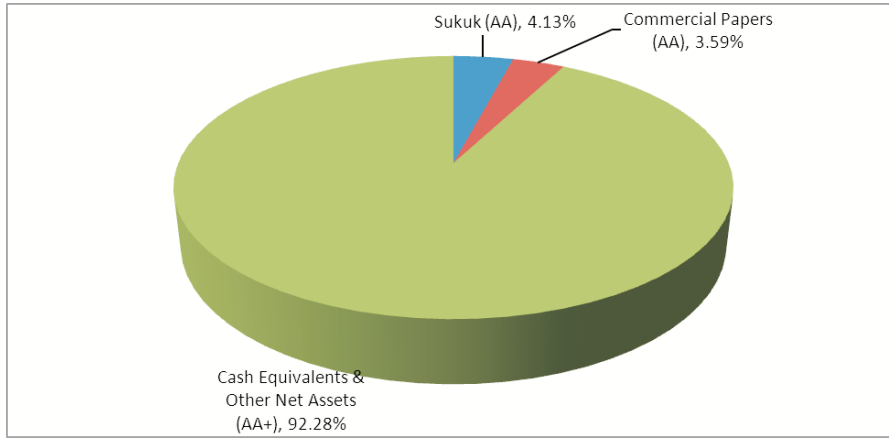
موجودہ مدت کے اختتام پر NBP اسلامک ڈیلی ڈیویڈنڈ فنڈ کا سائز 1,089 ملین روپے ہے۔ فنڈ نے اپنے آغاز (یکم نومبر 2019) کو اپنے بیچ مارک منافع %5.4 کے مقابلے %12.8 کا منافع ہوا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NIDDF کی شریعہ کمپلیٹ منی مارکیٹ فنڈ کے طور پر درجہ بندی کی گئی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے بہتر منافع فراہم کرنا ہے، کم از کم اہل ریٹنگ AA ہے، جب کہ فنڈ چھ ماہ سے زائد میچورٹی کی کسی سیکورٹی میں سرمایہ کاری کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی اوسط مدت 90 دنوں سے تجاوز نہیں کر سکتی، لہذا اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرتا 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 مانیٹری پالیسی کے اجلاس میں پالیسی ریٹ کو 100bps کے اضافہ کے ساتھ 13.25 فی صد تک بڑھا دیا۔ دیگر مانیٹری پالیسی بیانات میں افراط زر میں اضافہ کے باوجود SBP نے پالیسی ریٹ کو مستحکم رکھا۔

فنڈ کو اس مدت کے دوران 8.81 ملین روپے کی مجموعی آمدنی ہوئی۔ 0.72 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 8.09 ملین روپے ہے۔

NIDDF کی ایسٹ ایلوکیشن اور اس کی ہر ذیلی ایسٹ کلاس کی اوسط کریڈٹ ریٹنگ درج ذیل ہے:





آمدنی کی تقسیم

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2019 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 12.80% (par value کا 12.80%) عبوری نقد ڈیویڈنڈ منظور کیا۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینیجمنٹ 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 ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فونڈ مینیجمنٹ 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 Islamic Daily Dividend 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 during the period from October 29, 2019 to 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 Islamic Daily Dividend 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 period from November 1, 2019 to December 31, 2019. 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.

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.

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	(Un-audited) December 31, 2019 Rupees in '000
ASSETS		
Bank balances	4	1,000,360
Investments	5	84,101
Profit receivable	6	5,411
Prepayments, deposits and other receivables	7	509
Preliminary expenses and floatation costs	8	1,143
Total assets		1,091,524
LIABILITIES		
Payable to NBP Fund Management Limited - Management Company	9	1,594
Payable to Central Depository Company of Pakistan Limited - Trustee	10	29
Payable to the Securities and Exchange Commission of Pakistan	11	12
Accrued expenses and other liabilities	12	1,023
Total liabilities		2,658
NET ASSETS		1,088,866
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,088,866
CONTINGENCIES AND COMMITMENTS	13	
NUMBER OF UNITS IN ISSUE		108,886,548
NET ASSET VALUE PER UNIT	14	10.0000

The annexed notes 1 to 22 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 PERIOD FROM NOVEMBER 1, 2019 TO DECEMBER 31, 2019

	Note	For the period from November 01, 2019 to December 31, 2019
		Rupees in '000
INCOME		
Profit on bank balances		7,260
Income on sukuk certificates		758
Income on commercial papers		790
Total income		<u>8,808</u>
EXPENSES		
Remuneration of NBP Fund Management Limited - Management Company	9.1	83
Sindh sales tax on remuneration of the Management Company	9.2	11
Allocated expenses	9.3	62
Selling and marketing expense	9.4	43
Remuneration of Central Depository Company of Pakistan Limited - Trustee		40
Sindh sales tax on remuneration of the Trustee	10.2	5
Annual fee of the Securities and Exchange Commission of Pakistan	11.1	12
Amortisation of preliminary expenses and floatation costs	8	43
Auditors' remuneration		184
Legal and professional charges		6
Listing fee		7
Shariah advisor fee		9
Settlement and bank charges		18
Printing expenses		4
Rating fee		25
Total operating expenses		<u>552</u>
Net income from operating activities		<u>8,256</u>
Provision against Sindh Workers' Welfare Fund	12.1	(165)
Net income for the period before taxation		<u>8,091</u>
Taxation	15	-
Net income for the period after taxation		<u>8,091</u>
Earnings per unit	16	
Allocation of net income for the period		
- Net income for the period after taxation		8,091
- Income already paid on units redeemed		-
		<u>8,091</u>
Accounting income available for distribution:		
- Relating to capital gains		-
- Excluding capital gains		8,091
		<u>8,091</u>

The annexed notes 1 to 22 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 PERIOD FROM NOVEMBER 1, 2019 TO DECEMBER 31, 2019

	For the period from November 01, 2019 to December 31, 2019
	Rupees in '000
Net income for the period after taxation	8,091
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>8,091</u></u>

The annexed notes 1 to 22 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 PERIOD FROM NOVEMBER 1, 2019 TO DECEMBER 31, 2019

For the period from November 01, 2019 to December 31, 2019		
Capital value	Undistributed income	Total
Note ----- Rupees in '000 -----		
Issuance of 121,223,671 units		
- Capital value	1,212,237	1,212,237
- Element of income	-	-
Total proceeds on issuance of units	1,212,237	1,212,237
Redemption of 12,337,123 units		
- Capital value	(123,371)	(123,371)
- Element of loss	-	-
Total payments on redemption of units	(123,371)	(123,371)
Total comprehensive income for the period	-	8,091
Distribution paid	-	(8,091)
Net income for the period less distribution	-	-
Net assets at end of the period (un-audited)	1,088,866	1,088,866
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	8,091	8,091
Cash distribution	(8,091)	
Undistributed income carried forward	-	
Undistributed income carried forward:		
- Realised income	-	
- Unrealised income	-	
		(Rupees)
Net assets value per unit at end of the period		<u>10.0000</u>

The annexed notes 1 to 22 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 PERIOD FROM NOVEMBER 1, 2019 TO DECEMBER 31, 2019

	Note	For the period from November 01, 2019 to December 31, 2019
		Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		8,091
Adjustments		
Profit on bank balances		(7,260)
Income on sukuk certificates		(758)
Provision against Sindh Workers' Welfare Fund		(165)
Amortisation of preliminary expenses and floatation costs		43
		(8,140)
Increase in assets		
Prepayments, deposits and other receivables		(509)
Investments - net		(84,101)
Preliminary expenses and floatation costs		(1,186)
		(85,796)
Increase in liabilities		
Payable to NBP Fund Management Limited - Management company		1,594
Payable to Central Depository Company of Pakistan Limited - Trustee		29
Payable to the Securities and Exchange Commission of Pakistan		12
Accrued expenses and other liabilities		1,188
		2,823
Profit received on bank balances		2,607
Net cash flows used in operating activities		(80,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units		1,212,237
Amount paid against redemption of units		(123,371)
Distributions paid		(8,091)
Net cash flows generated from financing activities		1,080,775
Net increase in cash and cash equivalents during the period		1,000,360
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	1,000,360

The annexed notes 1 to 22 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 PERIOD FROM NOVEMBER 1, 2019 TO DECEMBER 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Daily Dividend Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on September 23, 2019 between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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

The Fund has been categorised as an open ended 'Shari'ah compliant money market fund' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from November 2, 2019 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to provide competitive return along with daily dividend by investing in Shari'ah compliant money market instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 as at December 24, 2019 to the Management Company and rated AA(f) with stable outlook as at November 19, 2019 to the Fund.

The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

These are the first reviewed condensed interim financial statements of the Fund for the period from November 1, 2019 to December 31, 2019 therefore, comparative figures have not been included.

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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 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.

2.3 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.

2.4 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:

Amendments	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.

2.4.1 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.

2.5 Critical accounting estimates and judgements

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on these condensed interim financial statements of the Fund relate to classification, valuation and impairment of financial assets (note 3.2) and taxation (notes 3.14 and 15).

2.6 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

2.7 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. These condensed interim financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

3.1 Cash and cash equivalents

These comprise bank balances in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.2 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

3.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the income statement.

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

3.3.2 Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'statement of assets and liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net Asset Value per unit

The Net Asset Value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year / period end.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the condensed interim financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on savings accounts is recognised on an accrual basis.

3.11 Expenses

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.14 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.

3.15 Earnings per unit

Earnings per unit is calculated by dividing the net income of the period before taxation of the Fund by the weighted average number of units outstanding during the period.

	Note	(Un-audited) December 31, 2019 Rupees in '000
4 BANK BALANCES		
Savings accounts	4.1	<u>1,000,360</u>
4.1	These include balances of Rs 0.1 million maintained with National Bank of Pakistan, a related party, that carry profit at the rate of 6% to 6.5% per annum. Other savings accounts carry profit rates ranging from 11% to 14.5% per annum.	
5 INVESTMENTS		
Commercial paper	5.1	39,101
Sukuk certificate	5.2	<u>45,000</u>
		<u>84,101</u>

NBP ISLAMIC DAILY DIVIDEND FUND



5.1 Commercial paper

Name of the security	Issue date	Profit rate (%) / Tenor	Purchased during the period	Matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of		Investment as a percentage of total issue size
								Net assets of the Fund	Total market value of investments	
							Rupees in '000		Percentage	
K-Electric Limited	August 28, 2019	14.76% 6 months	38,311	-	38,311	39,101	39,101	3.59	46.49	0.49

5.2 Sukuk certificate

Name of the security	Issue date	Coupon rate / tenor	Number of certificates			Market value as at December 31, 2019	Market value as a percentage of			
			Purchased during the period	Matured during the period	As at December 31, 2019		Net assets of the Fund	Total market value of investments		
							Rupees in '000		%	
Hub Power Company Limited	November 21, 2019	14.99% 6 months	450	-	450	45,000	4.13	53.51		

Carrying value as at December 31, 2019

45,000

Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss - as at December 31, 2019

-

6 PROFIT RECEIVABLE

Profit receivable on bank balances	6.1	4,653
Profit receivable on investments		758
		<u>5,411</u>

6.1 This includes an amount of Rs 0.013 million as profit receivable from National Bank of Pakistan (a related party).

Note (Un-audited) December 31, 2019 Rupees in '000

7 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Advance tax	7.1	391
Annual listing fee		18
Security deposit to Central Depository Company of Pakistan Limited		100
		<u>509</u>

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151 of the Income Tax Ordinance, 2001. However, withholding tax on profit on bank balances paid to the Fund has been deducted by various withholding agents based on the interpretation issued by the FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at the applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on bank balances amounts to Rs. 0.391 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable High Court of Sindh (HCS) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by HCS in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court of Pakistan (HSC) through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the HSC by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the HSC granted the petitioners leave to appeal from the initial judgement of HCS. Pending resolution of the matter, the amount of withholding tax so deducted has been shown as a receivable as at December 31, 2019, as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PRELIMINARY EXPENSES AND FLOATATION COSTS	(Un-audited) December 31, 2019 Rupees in '000
Preliminary expenses and floatation costs	1,186
Less: amortisation during the period	(43)
Closing balance	<u>1,143</u>

- 8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from November 1, 2019 as per the requirements set out in the Trust Deed of the Fund.

9 PAYABLE TO NBP FUND MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	(Un-audited) December 31, 2019 Rupees in '000
Remuneration of the Management Company	9.1	55
Sindh sales tax on remuneration of the Management Company	9.2	7
Allocated expenses payable	9.3	62
Selling and marketing expenses payable		43
Sales load payable to Management Company		85
Sindh sales tax payable on sales load		11
Preliminary expenses and floatation costs payable		1,186
Other payable to Management Company		145
		<u>1,594</u>

- 9.1** During the period, the Management Company has charged its remuneration at the rate of 1% on net income, subject to floor and capping of 0.1% and 1% per annum of the average annual net assets. The remuneration is payable to the Management Company monthly in arrears.
- 9.2** The Provincial Government of Sindh has levied Sindh sales tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 9.3** 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.
- 9.4** During the period, the Management Company based on its own discretion has charged selling and marketing expenses at the rate of 0.4% per annum, till November 15, 2019, of the average annual net assets. Thereafter, the management discontinued to charge the same. This has been duly approved by the Board of Directors of the Management Company.

	Note	(Un-audited) December 31, 2019 Rupees in '000
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Remuneration payable to the Trustee	10.1	26
Sindh sales tax payable on Trustee remuneration	10.2	3
		<u>29</u>

- 10.1** During the period, the Trustee has charged its remuneration at the rate of 0.065% per annum of the average annual net assets.
- 10.2** Sindh sales tax at the rate of 13 % is charged on Trustee remuneration.

	Note	(Un-audited) December 31, 2019 Rupees in '000
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee payable	11.1	<u>12</u>

- 11.1** 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). The Fund has charged the SECP fee at the rate of 0.02% per annum of the average annual net assets during the current period.

	Note	(Un-audited) December 31, 2019 Rupees in '000
12 ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision for Sindh Workers' Welfare Fund	12.1	165
Auditors' remuneration		184
Shari'ah advisory fee		9
Legal fee		6
Withholding tax payable		628
Payable against printing charges		4
Mutual fund rating fee		25
Bank charges payable		2
		1,023

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 November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

- 12.1** 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, was 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 had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP 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, 2014 (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. 0.0015 per unit.

13 CONTINGENCIES AND COMMITMENTS

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

14 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit, as disclosed in the condensed interim statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

15 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.

16 EARNINGS PER UNIT

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

17 TOTAL EXPENSE RATIO

The Total Expense ratio (TER) of the Fund for the period ended December 31, 2019 is 1.15% which includes 0.31% representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an money market scheme.

18 INTERIM DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of the Trust Deed and clause 1.4 of the Offering Document and re-invests the distributed dividend as per clause 1.4 of the Offering Document. During the period, the Management Company on behalf of the Fund, has distributed the total profit earned during the period amounting to Rs 8.091 million as dividend after deducting applicable taxes.

Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees	Payout Date	Payout Per Unit Rupees
November 2, 2019	0.0067	November 22, 2019	0.0034	December 12, 2019	0.0034
November 3, 2019	0.0032	November 23, 2019	0.0034	December 13, 2019	0.0034
November 4, 2019	0.0032	November 24, 2019	0.0034	December 14, 2019	0.0034
November 5, 2019	0.0032	November 25, 2019	0.0034	December 15, 2019	0.0034
November 6, 2019	0.0032	November 26, 2019	0.0034	December 16, 2019	0.0035
November 7, 2019	0.0031	November 27, 2019	0.0034	December 17, 2019	0.0034
November 8, 2019	0.0032	November 28, 2019	0.0034	December 18, 2019	0.0034
November 9, 2019	0.0032	November 29, 2019	0.0034	December 19, 2019	0.0037
November 10, 2019	0.0032	November 30, 2019	0.0034	December 20, 2019	0.0037
November 11, 2019	0.0032	December 1, 2019	0.0035	December 21, 2019	0.0036
November 12, 2019	0.0033	December 2, 2019	0.0034	December 22, 2019	0.0037
November 13, 2019	0.0032	December 3, 2019	0.0034	December 23, 2019	0.0037
November 14, 2019	0.0032	December 4, 2019	0.0034	December 24, 2019	0.0037
November 15, 2019	0.0033	December 5, 2019	0.0034	December 25, 2019	0.0037
November 16, 2019	0.0033	December 6, 2019	0.0034	December 26, 2019	0.0037
November 17, 2019	0.0033	December 7, 2019	0.0034	December 27, 2019	0.0038
November 18, 2019	0.0034	December 8, 2019	0.0035	December 28, 2019	0.0037
November 19, 2019	0.0033	December 9, 2019	0.0034	December 29, 2019	0.0038
November 20, 2019	0.0033	December 10, 2019	0.0034	December 30, 2019	0.0037
November 21, 2019	0.0034	December 11, 2019	0.0034	December 31, 2019	0.0038

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 19.1** 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.
- 19.2** 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.
- 19.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the Trust Deed and Offering Document.
- 19.4** Details of transactions with related parties / connected persons during the period are as follows:

	For the period from November 01, 2019 to December 31, 2019
	Rupees in '000
NBP Fund Management Limited - Management Company	
Remuneration of NBP Fund Management Limited - Management Company	83
Sindh sales tax on remuneration of the Management Company	11
Allocated expenses	62
Selling and marketing expense	43
Preliminary expenses and floatation costs borne by the Management Company	1,186
Other expenses borne by the Management Company	145
Central Depository Company of Pakistan Limited - Trustee	
Remuneration of Central Depository Company of Pakistan Limited - Trustee	40
Sindh sales tax on remuneration of the Trustee	5
Employees of NBP Fund Management Limited	
Dividend re-invest units issued - 11	-
Units issued - 999	10
Units redeemed - 1,010	10
National Bank of Pakistan	
Profit on bank balances	13
Baltoro Partners (Private) Limited	
Dividend re-invest units issued - 2,664	27
Units issued - 701,000	7,010
Shafi Gluco Chem (Private) Limited - unit holder holding 10% or more units	
Dividend re-invest units issued - 140,390	1,404
Units issued - 34,130,737	341,307
Lucky Commodities (Private) Limited - unit holder holding 10% or more units	
Dividend re-invest units issued - 69,843	698
Units issued - 25,000,000	250,000
The University of Lahore - unit holder holding 10% or more units	
Dividend re-invest units issued - 7,600	76
Units issued - 20,000,000	200,000
Hub Power Company Limited	
Purchase of sukuk certificates	45,000
Income from sukuk certificates	758
NBP Riba Free Savings Fund	
Purchase of commercial paper (K-Electric Limited)	38,311
Pakistan Stock Exchange Limited	
Listing fee paid	25



	As at December 31, 2019
	Rupees in '000
19.5 Amounts / balances outstanding as at period end are as follows	
NBP Fund Management Limited - Management Company	
Remuneration of the Management Company	55
Sindh sales tax on remuneration of the Management Company	7
Allocated expenses payable	62
Selling and marketing expenses payable	43
Sales load payable to Management Company	85
Sindh sales tax payable on sales load	11
Preliminary expenses and floatation costs payable	1,186
Other payable to Management Company	145
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable to the Trustee	26
Sindh sales tax payable on Trustee remuneration	3
Baltoro Partners (Private) Limited	
Units outstanding - 703,664	7,037
Shafi Gluco Chem (Private) Limited - unit holder holding 10% or more units	
Units outstanding - 34,271,127	342,711
Lucky Commodities (Private) Limited - unit holder holding 10% or more units	
Units outstanding - 25,069,843	250,698
The University of Lahore - unit holder holding 10% or more units	
Units outstanding - 20,007,600	200,076
National Bank of Pakistan	
Bank balance	104
Profit receivable on bank balances	13
Hub Power Company Limited	
Sukuk certificates	45,000

20 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.

20.1 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, the Fund held the following financial instruments measured at fair value:

----- Unaudited -----				
----- 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' - net				
Commercial papers*	-	39,101	-	39,101
Sukuk certificates*	-	45,000	-	45,000
	<u>-</u>	<u>84,101</u>	<u>-</u>	<u>84,101</u>

* 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.

21 GENERAL

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

22 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

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- ?? FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📄 Risk profiler*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📄 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices

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@nbpfunds.com

Website: www.nbpfunds.com

 /nbpfunds