



NBP FUNDS

Managing Your Savings

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NBP GOVERNMENT SECURITIES LIQUID FUND



QUARTERLY REPORT
MARCH 31, 2020



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Saad ur Rahman Khan	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

Company Secretary & COO

Mr. Muhammad Murataz 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 Shahr-e-Faisal, Karachi.

Bankers to the Fund

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

Auditors

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

Legal Advisor

Akhund Forbes
D-21, Block, 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
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 unaudited financial statements of **NBP Government Securities Liquid Fund (NGSLF)** (Formerly: NAFA Government Securities Liquid Fund) for the period ended March 31, 2020.

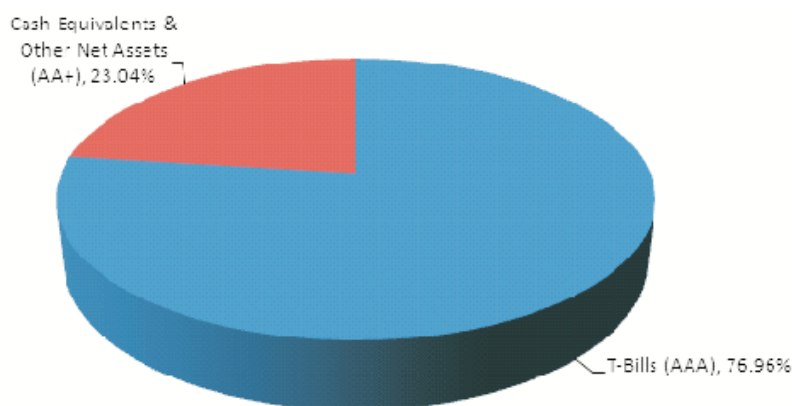
Fund's Performance

The size of NBP Government Securities Liquid Fund has increased from Rs. 1,931 million to Rs. 2,723 million during the period (i.e. a growth of 41%). During the period, the unit price of the Fund has increased from Rs. 9.2866 (Ex-Div) on June 30, 2019 to Rs. 10.2034 on March 31, 2020, thus showing a return of 13.1% as compared to the benchmark return of 12.6% for the same period. The performance of the Fund is net of management fee and all other expenses.

NGSLF's stability rating is 'AAA (f)' awarded by PACRA. The rating reflects exceptionally strong credit and liquidity profile of the Fund. T-Bills are the major asset class of the Fund. Exposure of the Fund to credit, liquidity and interest rate risk is exceptionally low due to 70% minimum investment in Government securities (T-Bills) with average maturity of the overall portfolio at 45 days. The Fund invests in AA and above rated Banks/DFIs with maximum maturity of six months.

During 9MFY20, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings. In its first meeting in July 2019, the Policy Rate was increased by 100bps to 13.25% with the objective to curtail inflationary pressures. Thenceforth the central bank maintained tight monetary policy stance and left the key benchmark rate unchanged in the subsequent three MPC meetings. In its meeting on March 17th, 2020 and again on March 24th, 2020 the SBP cumulatively slashed the Policy Rate by 225bps to 11%; owing to improved inflation outlook, sharp fall in global oil prices, and economic fallout from the Coronavirus pandemic. Sovereign yields also responded to these policy actions and inflation and interest rate outlook. Furthermore, SBP held twenty (20) T-Bill auctions during the period, realizing a total of Rs. 12,443 billion. The yields on T-Bills for 3-month, 6-month and 12-month tenures decreased by 175 basis points, 193 basis points and 264 basis points, respectively.

The Fund has earned a total income of Rs.250.706 million during the period. After deducting total expenses of Rs. 29.623 million, the net income is Rs. 221.083 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSLF.



Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 9.29% of the opening ex-NAV (9.47% of the par value) during the period ended March 31, 2020.

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: April 27, 2020
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2020ء کو ختم ہونے والی نو ماہی کے لئے NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (سابقہ: NAFA گورنمنٹ سیکورٹیز لیکویڈ فنڈ) (NGSLF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

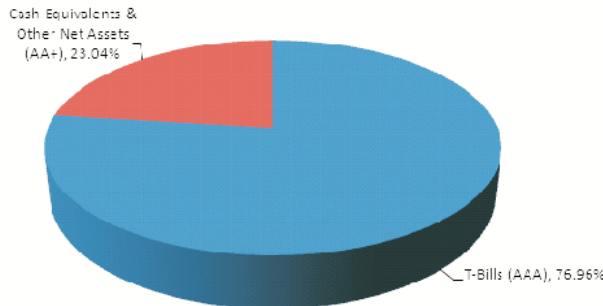
اس مدت کے دوران NBP گورنمنٹ سیکورٹیز لیکویڈ فنڈ (NGSLF) کا سائز 1,931 ملین روپے سے بڑھ کر 2,723 ملین روپے ہو گیا یعنی 41% کا اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 9.2866 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2020ء کو 10.20.34 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک منافع 12.6% کے مقابلے میں 13.1% کا منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NGSLF کو PACRA کی طرف سے مستحکم ریٹنگ "AAA(f)" دی گئی ہے۔ یہ ریٹنگ فنڈ کے غیر معمولی مستحکم کریڈٹ اور لیکویڈٹی پر فائل کی عکاسی کرتی ہے۔ T-Bills اس فنڈ کی بڑی ایسیٹ کلاس ہے۔ مجموعی پورٹ فولیو کی 45 دن کی اوسط میچورٹی کے ساتھ گورنمنٹ سیکورٹیز (T-Bills) میں کم از کم 70% سرمایہ کاری کے ساتھ فنڈ کے کریڈٹ، لیکویڈٹی اور انٹرسٹ ریٹ کے خطرات کی زد میں آنے کے امکانات نہ ہونے کے برابر ہیں۔ فنڈ کو زیادہ سے زیادہ چھ ماہ کی میچورٹی کے ساتھ AA یا زائد ریٹنگ والے بینکوں / DFIs میں انویسٹ کرنے کی اجازت ہے۔

مالی سال 2020 کی نو ماہی میں اسٹیٹ بینک آف پاکستان نے چھ ماہی پالیسی کمیٹی (MPC) کے اجلاس طلب کئے۔ افراط زر کو قابو کرنے کے لئے SBP نے جولائی 2019ء میں منعقدہ ماہی پالیسی کے اپنے پہلے اجلاس میں پالیسی کی شرح کو بحساب 100bps سے بڑھا کر 13.25 فی صد کر دیا۔ اس کے بعد مرکزی بینک نے سخت معاشی پالیسی کا موقف برقرار رکھا اور اس کے بعد ہونے والی تین MPC اجلاسوں میں کلیدی معیار تبدیل نہیں کیا۔ 17 مارچ، 2020ء کو اور پھر 24 مارچ، 2020ء کو اپنے اجلاس میں اسٹیٹ بینک نے افراط زر کی صورتحال میں بہتری، تیل کی عالمی قیمتوں میں تیزی سے کمی اور کورونا وائرس وبائی مرض سے معاشی خرابی کی وجہ سے پالیسی کی شرح میں بحساب 225bps سے کمی کر کے مجموعی طور پر 11 فیصد کر دیا۔ ان پالیسی اقدامات اور افراط زر اور شرح سود کے تناظر میں گورنمنٹ بانڈز منافع میں ردعمل دیکھا گیا۔ اس کے علاوہ، اس مدت میں SBP نے بیس (20) T-Bills نیلامیوں سے مجموعی طور پر 12,443 ملین روپے حاصل کئے۔ سہ ماہی، ششماہی اور سالانہ مدتوں کے دوران T-Bills منافع بالترتیب 175bps، 193bps اور 264bps تک کم ہوئی۔

فنڈ نے اس مدت کے دوران 250.706 ملین روپے کی مجموعی آمدنی کمائی۔ 29.623 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 221.083 ملین روپے ہے۔

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





آمدنی کی تقسیم

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2020 کو ختم ہونے والی مدت کے لئے اوپننگ ex-NAV کا 9.29% (9.47% par value) عبوری نقد ڈیویڈنڈ منظور کیا۔

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے میٹجمنٹ 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 فنڈ میٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2020ء

مقام: کراچی



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2020

	Note	Unaudited March 31, 2020	Audited June 30, 2019
Rupees in '000			
ASSETS			
Bank balances		1,048,572	1,985,384
Investments	4	2,095,939	1,484,649
Mark-up accrued		8,224	8,108
Receivable against conversion of units		97	-
Advance, prepayment and other receivable		10,394	10,219
Total assets		3,163,226	3,488,360
LIABILITIES			
Payable to the Management Company		6,282	2,848
Payable to the Trustee		174	204
Payable to Securities and Exchange Commission of Pakistan		351	2,619
Payable on redemption of units		2,353	2
Payable against purchase of investment		355,867	1,484,649
Accrued expenses and other liabilities		74,735	66,706
Total liabilities		439,762	1,557,028
NET ASSETS		2,723,464	1,931,332
Unit Holders' Funds (as per statement attached)		2,723,464	1,931,332
Contingencies and Commitments	6	-----Number of units-----	
Number of units in issue		266,917,677	189,603,859
		Rupees	
Net assets value per unit		10.2034	10.1861

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020

	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees in '000-----			
INCOME				
Gain / (Loss) on sale of investments - net	306	(2,523)	1,042	(662)
Income from government securities	165,353	194,566	55,922	42,226
Income from letter of placements	-	25,681	-	-
Profit on bank deposits	79,449	42,440	32,032	22,741
Net unrealised appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5,598	152	5,598	126
Total Income	250,706	260,316	94,594	64,431
EXPENSES				
Remuneration of the Management Company	7,639	20,544	2,706	4,989
Sindh sales tax on remuneration of the Management Company	993	2,671	352	649
Remuneration of the Trustee	1,142	2,821	411	639
Sindh sales tax on remuneration of Trustee	148	367	53	83
Annual fee - Securities and Exchange Commission of Pakistan	351	2,258	126	454
Accounting and operational charges to the Management Company	1,757	3,011	632	606
Selling and marketing expenses	11,890	-	4,419	-
Securities transaction cost	16	9	8	2
Bank charges	218	228	74	91
Annual listing fee	21	23	7	7
Rating fee	361	350	120	108
Auditors' remuneration	482	540	110	127
Legal and professional charges	37	23	12	13
Printing Charges	56	23	5	23
Total Expenses	25,111	32,868	9,035	7,791
Net income from operating activities	225,595	227,448	85,559	56,640
Provision for Sindh Workers' Welfare Fund	5 (4,512)	(4,549)	(1,711)	(1,133)
Net income for the period before taxation	221,083	222,899	83,848	55,507
Taxation	8 -	-	-	-
Net income for the period after taxation	221,083	222,899	83,848	55,507
Earnings per unit				
Allocation of net income for the period				
Net income for the period after taxation	221,083	222,899	83,848	55,507
Income already paid on redemption of units	(5,188)	(87,304)	(2,331)	(2,827)
	215,895	135,595	81,517	52,680
Accounting income available for distribution:				
- Relating to capital gain	5,685	-	5,685	-
- Excluding capital gain	210,210	135,595	75,832	52,680
	215,895	135,595	81,517	52,680

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020

	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees in '000-----			
Net income for the period after taxation	221,083	222,899	83,848	55,507
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	221,083	222,899	83,848	55,507

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine months period ended					
	March 31, 2020			March 31, 2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,833,215	98,117	1,931,332	5,514,312	276,300	5,790,612
Issue of 418,769,012 units (2019: 300,705,107 units)						
- Capital value	4,265,623	-	4,265,623	3,055,735	-	3,055,735
- Element of income	21,562	-	21,562	50,474	-	50,474
Total proceeds on issuance of units	4,287,185	-	4,287,185	3,106,209	-	3,106,209
Redemption of 341,455,194 units (2019: 625,995,559 units)						
- Capital value	(3,478,097)	-	(3,478,097)	(6,361,304)	-	(6,361,304)
- Element of loss	(10,591)	(5,188)	(15,779)	(40,454)	(87,304)	(127,758)
Total payments on redemption of units	(3,488,688)	(5,188)	(3,493,876)	(6,401,758)	(87,304)	(6,489,062)
Total comprehensive income for the period	-	221,083	221,083	-	222,899	222,899
Final distribution for the year ended June 30, 2019: Nil (2018: Rs. 0.5367 declared on July 04, 2018)						
- Cash Distribution	-	-	-	-	(182,581)	(182,581)
- Refund of Capital	-	-	-	(107,908)	-	(107,908)
	-	-	-	(107,908)	(182,581)	(290,489)
Interim distributions made during the period:						
Re. 0.0956 on July 30, 2019 (2018: Nil)	(3,322)	(17,677)	(20,999)	-	-	-
Re. 0.1033 on August 29, 2019 (2018: Nil)	(946)	(22,556)	(23,502)	-	-	-
Re. 0.1017 on September 28, 2019 (2018: Nil)	(1,878)	(25,312)	(27,190)	-	-	-
Re. 0.1109 on October 29, 2019 (2018: Nil)	(84)	(23,845)	(23,929)	-	-	-
Re. 0.0971 on November 28, 2019 (2018: Nil)	(129)	(20,502)	(20,631)	-	-	-
Re. 0.1002 on December 27, 2019 (Dec 21, 2018: Re. 0.3401)	(165)	(20,630)	(20,795)	(8,842)	(75,736)	(84,578)
Re. 0.1132 on January 28, 2020 (Jan 29, 2019: Re. 0.1022)	(523)	(23,669)	(24,192)	(679)	(26,068)	(26,747)
Re. 0.1062 on February 27, 2020 (Feb 27, 2019: Re. 0.0751)	(3,553)	(25,107)	(28,660)	(98)	(16,661)	(16,759)
Re. 0.1184 on March 27, 2020 (Mar 29, 2018: Re. 0.0737)	(349)	(32,013)	(32,362)	(293)	(15,535)	(15,828)
	(10,949)	(211,311)	(222,260)	(9,912)	(134,000)	(143,912)
Net assets at end of the period	2,620,763	102,701	2,723,464	2,100,943	95,314	2,196,257
Undistributed income brought forward						
- Realised income		98,117			278,749	
- Unrealised loss		-			(2,449)	
		98,117			276,300	
Accounting income available for distribution						
- Relating to capital gain	5,685				-	
- Excluding capital gain	210,210				135,595	
	215,895				135,595	
Final distribution for the year ended June 30, 2019 / 2018					(182,581)	
Interim distributions made during the period:		(211,311)			(134,000)	
Undistributed income carried forward		102,701			95,314	
Undistributed income carried forward						
- Realised income		97,103			95,162	
- Unrealised income		5,598			152	
		102,701			95,314	
Net assets value per unit at beginning of the period			(Rupees) 10.1861			(Rupees) 10.6986
Net assets value per unit at end of the period			10.2034			10.1698

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine months ended	
	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	221,083	222,899
Adjustments		
Net unrealised (appreciation) on re-measurement of investment classified as financial assets at fair value through profit or loss'	(5,598)	(152)
	<u>215,485</u>	<u>222,747</u>
(Increase) / decrease in assets		
Investments	(605,692)	2,444,228
Mark-up accrued	(116)	(2,443)
Advance, prepayment and other receivable	(175)	(4)
	<u>(605,983)</u>	<u>2,441,781</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	3,434	(2,938)
Payable to the Trustee	(30)	(231)
Payable to Securities and Exchange Commission of Pakistan	(2,268)	(1,486)
Payable against purchase of investment	(1,128,782)	(2,446,677)
Accrued expenses and other liabilities	8,029	5,949
	<u>(1,119,617)</u>	<u>(2,445,383)</u>
Net cash (used in) / generated from from operating activities	<u>(1,510,115)</u>	<u>219,145</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of units	4,276,139	2,988,842
Payments on redemption of units	(3,491,525)	(6,488,958)
Distribution paid	(211,311)	(316,581)
Net cash generated / (used in) from financing activities	<u>573,303</u>	<u>(3,816,697)</u>
Net (decrease) in cash and cash equivalents during the period	<u>(936,812)</u>	<u>(3,597,552)</u>
Opening balance of cash and cash equivalents	1,985,384	5,847,133
Cash and cash equivalents at the end of the period	<u><u>1,048,572</u></u>	<u><u>2,249,581</u></u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Government Securities Liquid Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 10 April 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

Last year on May 30, 2019, the name of the Fund was changed from NAFA Government Securities Liquid Fund to NBP Government Securities Liquid Fund. The change of name was made effective vide Fund's fifth Supplement Offering Document which was approved by SECP vide its letter no. SCD/AMCW/NAFA/430/2019 dated May 30, 2019.

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

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open-End "Money Market Scheme" as per the criteria laid down by Securities and Exchange Commission of Pakistan (SECP) for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term government securities.

The Pakistan Credit Rating Agency (PACRA) has assigned a stability rating of 'AAA(f)' to the Fund and an asset manager rating of 'AM1' to the Management Company on December 24, 2019.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

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

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

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

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

(Unaudited) (Audited)
Note March 31, 2020 June 30, 2019
------(Rupees in '000)-----

4 INVESTMENTS

At fair value through profit or loss

Government securities - Market Treasury Bills 4.1 2,095,939 1,484,649

4.1 Investment in government securities - 'at fair value through profit or loss'

Issue date	Tenor	Face value				Market Value as at March 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020			

-----Rupees in '000----- -----(%)-----

Market Treasury Bills

9-May-19	3 Months	1,500,000	-	1,500,000	-	-	-	-
18-Jul-19	3 Months	-	4,516,000	4,516,000	-	-	-	-
16-Aug-19	3 Months	-	1,210,000	1,210,000	-	-	-	-
1-Aug-19	3 Months	-	1,230,000	1,230,000	-	-	-	-
10-Oct-19	3 Months	-	1,510,000	1,510,000	-	-	-	-
10-Oct-19	6 Months	-	500,000	500,000	-	-	-	-
24-Oct-19	3 Months	-	1,775,000	1,775,000	-	-	-	-
24-Oct-19	6 Months	-	250,000	250,000	-	-	-	-
7-Nov-19	3 Months	-	1,550,000	1,550,000	-	-	-	-
7-Nov-19	6 Months	-	150,000	150,000	-	-	-	-
29-Aug-19	3 Months	-	500,000	500,000	-	-	-	-
12-Sep-19	3 Months	-	258,615	258,615	-	-	-	-
26-Sep-19	3 Months	-	266,115	266,115	-	-	-	-
21-Nov-19	3 Months	-	1,502,000	1,502,000	-	-	-	-
5-Dec-19	3 Months	-	740,000	740,000	-	-	-	-
19-Dec-19	3 Months	-	1,050,000	1,050,000	-	-	-	-

Issue date	Tenor	Face value				Market Value as at March 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020			
-----Rupees in '000-----						-----(%)-----		
2-Jan-20	3 Months	-	755,000	755,000	-	-	-	-
30-Jan-20	3 Months	-	550,000	550,000	-	-	-	-
12-Sep-19	6 Months	-	800,000	800,000	-	-	-	-
13-Feb-20	3 Months	-	250,000	-	250,000	247,295	9.08	11.80
27-Feb-20	3 Months	-	800,000	-	800,000	788,039	28.94	37.60
12-Mar-20	3 Months	-	475,000	-	475,000	465,956	17.11	22.23
12-Mar-20	6 Months	-	250,000	-	250,000	238,423	8.75	11.38
26-Mar-20	6 Months	-	750,000	375,000	375,000	356,226	13.08	17.00
		1,500,000	21,637,730	20,987,730	2,150,000	2,095,939	76.96	100.01

Carrying Value before fair value adjustment as at March 31, 2020

2,090,341

4.1.1 These carry a rate of return ranging from of 11.15% to 13.40% (June 30, 2019: 12.58%) per annum.

5 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 10.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 22.208 million for the period ended March 31, 2020 in this condensed interim financial information, Had the provision not been made, net assets value per unit at March 31, 2020 would have been higher by Rs. 0.0832 per unit (June 30, 2019: Rs. 0.0933 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

7 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.7% per annum of the net assets of the Fund.

8 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2020 is 1.68% (2019: 1.25%) which includes 0.34% (2019: 0.33%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.0% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'money market scheme'.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

10.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and unit holders holding ten percent or more units of the Fund.

10.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

10.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

10.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

10.5 Details of the transactions with connected persons are as follows:

	----- (Unaudited) -----	
	<u>Nine months ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2020</u>	<u>2019</u>
	----- Rupees in '000 -----	
NBP Fund Management Company Limited - Management Company		
Remuneration of the Management Company	7,639	20,544
Sindh sales tax on remuneration of the Management Company	993	2,671
Accounting and operational charges to the Management Company	1,757	3,011
Selling and marketing expenses	11,890	-
National Bank of Pakistan (Parent of the Management Company)		
T-Bills purchased during the period	784,340	-
Bank profit earned by the fund on deposit in saving account	423	325
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee for the period	1,142	2,821
Sindh sales tax on remuneration of Trustee	148	367
Muhammad Murtaza Ali (Company Secretary and Chief Operating Officer)		
Dividend reinvested: 150 units	2	-
Units issued: 6 units (March 31, 2019: 188,751 units)	-	1,877
Units redeemed: 2,587 units (March 31, 2019: 315,519 units)	27	3,257
Employees of the Management Company		
Dividend reinvested: 241 units	2	-
Units issued: 87,534 units (March 31, 2019: 701,012 units)	893	7,138
Units redeemed: 104,588 units (March 31, 2019: 408,656 units)	1,073	4,211
NBP Employees Pension Fund (Subsidiary of the parent company)		
Dividend reinvested: 1,949,026 units	19,860	-
Units issued: 594 units (March 31, 2019: 1,753,838 units)	-	17,822

	----- (Unaudited) -----	
	Nine months ended	
	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
** Fauji Fertilizer Company Limited (Common directorship)		
Dividend reinvested: 1,670,349 units	17,020	-
Units issued: 306,301,089 units (March 31, 2019: Nil units)	3,130,006	-
Units redeemed: 248,091,032 units (March 31, 2019: Nil units)	2,539,082	-
Taurus Securities Limited- Subsidiary of parent company		
Dividend reinvested: 431,091 units	4,393	-
Units issued: 9,817,520 units (March 31, 2019: Nil units)	100,000	-
Units redeemed: 10,248,611 units (March 31, 2019: Nil units)	104,922	-
NBP Fund Management Limited - Employees Provident Fund		
Units issued: Nil units (March 31, 2019: 3,288 units)	-	4
Units redeemed: Nil units (March 31, 2019: 68,103 units)	-	707
NBP Endowment Funds Students Loan Scheme		
Units issued: Nil units (March 31, 2019: 337,609 units)	-	3,431
Units redeemed: Nil units (March 31, 2019: 2,167,133 units)	-	22,200
NBP Mahana Amdani Fund (CIS managed by the Management Company)		
Market Treasury Bills purchased	-	24,926
NBP Money Market Fund (CIS managed by the Management Company)		
Market Treasury Bills sold	1,336,416	-
NBP Stock Fund (CIS managed by the Management Company)		
Market Treasury Bills purchased	342,727	-
Mutual Fund Association of Pakistan - MUFAP		
Units issued: Nil units (March 31, 2019: 9,214 units)	-	93
NBP Income Opportunity Fund (CIS managed by the Management Company)		
Market Treasury Bills purchased	-	199,407
Portfolios managed by the Management Company		
Market Treasury Bills purchased	-	25,012
Market Treasury Bills sold	133,998	8,073
NBP Savings Fund (CIS managed by the Management Company)		
Market Treasury Bills purchased	-	29,911
Faruque Private Limited (Common Directorship)		
Units issued: Nil units (March 31, 2019: 172 units)	-	1
* Pakistan Mobile Communication Limited		
Units issued: Nil units (March 31, 2019: 87,303,280 units)	-	866,233
Units redeemed: Nil units (March 31, 2019: 127,059,062 units)	-	1,320,880

	----- (Unaudited) -----	
	<u>Nine months ended</u>	
	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS)		
Units issued: 4,734,117 units (March 31, 2019: 5,034,452 units)	48,224	51,160
** Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the CIS)		
Units issued: 41,377,094 units (March 31, 2019: Nil units)	419,636	-
Units redeemed: 4,970,227 units (March 31, 2019: Nil units)	51,000	-
10.6 Amounts outstanding as at period / year end	(Unaudited)	(Audited)
	As at	As at
	March 31,	June 30,
	2020	2019
	----- Rupees in '000 -----	
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	1,089	1,558
Sindh Sales Tax on remuneration of the Management Company	142	202
Operational expenses	631	1,088
Selling and marketing expense Payable	4,420	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	154	181
Sindh Sales Tax on remuneration of the Trustee	20	23
National Bank of Pakistan □ (Parent of the Management Company)		
Bank balance	4,079	5,137
Bank profit receivable	9	67
Muhammad Murtaza Ali (Company Secretary and chief operating officer of the management company)		
Investment held in the Fund: Nil units (June 30, 2019: 2,431, units)	-	25
* Summit Bank Limited		
Bank balance	-	4,649
* Askari Bank Limited		
Bank balance	-	138
Bank profit receivable	-	2
Employees of the Management Company		
Investment held in the Fund: 6,184 units (June 30, 2019: 231,355 units)	63	2,357
NBP Employees Pension Fund - Subsidiary of parent company		
Investment held in the Fund: 23,270,462 units (June 30, 2019: 21,320,842)	237,438	217,176
NBP Endowment Fund Students Loan Scheme- Subsidiary of parent company		
Investment held in the Fund: nil units (June 30, 2019: 20,187 units)	-	206

	(Unaudited) As at March 31, 2020 ----- Rupees in '000 -----	(Audited) As at June 30, 2019 -----
Faruque Private Limited (Common directorship) Investment held in the Fund: nil units (June 30, 2019: 1,923 units)	-	20
** Fauji Fertilizer Company Limited (Common directorship) Investment held in the Fund: 59,880,405 units (June 30, 2019: Nil units)	610,984	-
K & N's Foods Private Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: 62,611,886 units (June 30, 2019: 57,877,769)	638,854	589,549
* Asian securities limited Investment held in the Fund Nil units (2019: 19,508,682 units)	-	198,717
** Fauji Akbar Portia Marine Terminals Limited (Unit holder of 10% or more of units of the CIS) Investment held in the Fund: 36,406,866 units (2019: Nil units)	371,474	-

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

** Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

11 DATE OF AUTHORISATION FOR ISSUE

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

12 GENERAL

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

12.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant changes or reclassifications were made in this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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