



NBP FUNDS

Managing Your Savings

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Rated by PACRA

NBP GOVERNMENT SECURITIES SAVINGS 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 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 Taraqiati Bank Limited



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.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 reviewed financial statements of **NBP Government Securities Savings Fund (NGSSF)** (Formerly; Nafa Government Securities Savings Fund) for the period ended March 31, 2020.

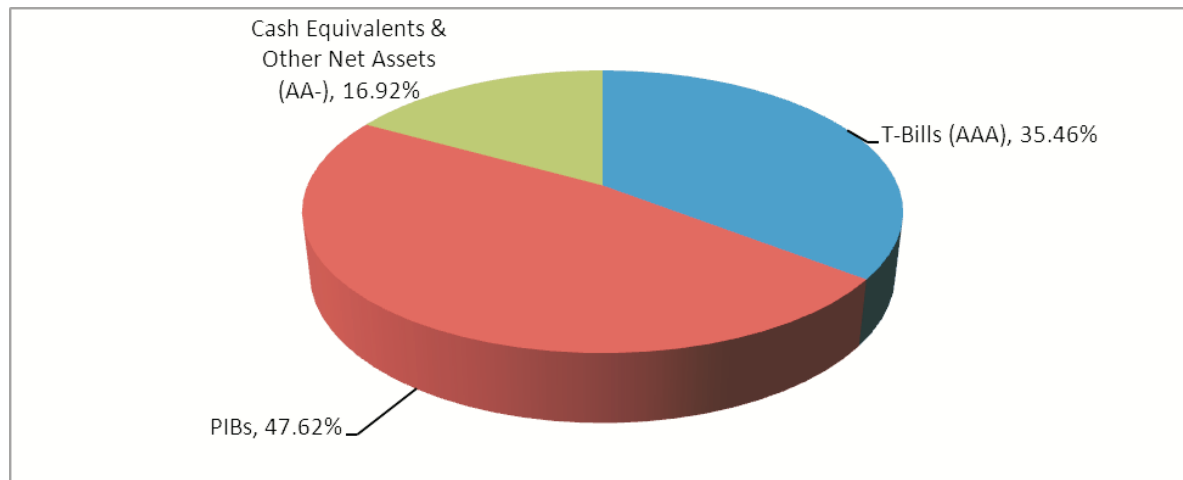
Fund's Performance

The size of NBP Government Securities Savings Fund (Formerly; Nafa Government Securities Savings Fund) decreased from Rs. 1,092 million to Rs. 660 million during the period (i.e. a decline of 40%). During the period, the unit price of the Fund has increased from Rs. 8.9852 (Ex-Div) on June 30, 2019 to Rs. 10.4091 on March 31, 2020, thus showing return of 21.0% as compared to the benchmark return of 13.3% 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.

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 pressure. 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 slashed the Policy Rate by a cumulative 225bps to 11%; owing to improved inflation outlook, sharp fall in the global oil prices, and economic fallout from the Corona virus pandemic.

Sovereign yields responded to these policy actions and inflation and interest rate outlook. 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. Similarly, expecting protracted period of monetary easing, PIB yields decline by 456 bps, 470 bps, and 457 bps for 3-year, 5-year, and 10-year tenures, respectively. During this period, nine (9) PIB auctions were also held where an amount of Rs. 1,671 billion was realized.

The Fund has earned a total income of Rs.99.908 million during the period. After deducting total expenses of Rs. 9.277 million, the net income is Rs. 90.631 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NGSSF.





Income Distribution

The Board of Directors of the Management Company has approved interim cash dividend of 14.16% of the opening ex-NAV (14.61% 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 کی رپورٹ

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

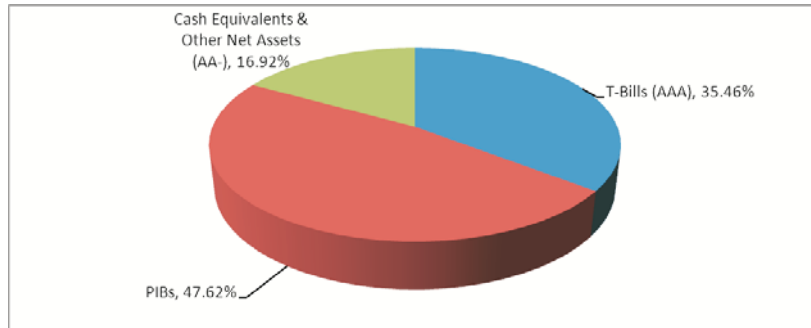
اس مدت کے دوران NBP گورنمنٹ سیکورٹیز سیونگ فنڈ (NGSSF) (سابقہ: NAFA گورنمنٹ سیکورٹیز سیونگ فنڈ) کا سائز 1,092 ملین روپے سے کم ہو کر 660 ملین روپے ہو گیا یعنی 40% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 8.9852 روپے (Ex-Div) سے بڑھ کر 31 مارچ 2020ء کو 10.4091 روپے ہو گئی، لہذا اسی مدت کے دوران فنڈ نے اپنے بیچ مارک %13.3 کے مقابلے میں %21.0 کا منافع درج کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ فنڈ کو PACRA کی طرف سے مستحکم ریٹنگ "AA-(f)" دی گئی 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 معتقدہ 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، 2020 کو اور پھر 24 مارچ، 2020 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۔

اسی مدت کے دوران کارپوریٹ ڈیٹ سیکورٹیز میں تجارتی سرگرمی میں اضافہ دیکھا گیا۔ مجموعی تجارتی قدر 20.4 بلین روپے رہی جبکہ گزشتہ سال کی اسی مدت میں 11.4 بلین روپے تھی۔ ان پالیسی اقدامات اور افراط زر اور شرح سود کے تناظر میں گورنمنٹ بانڈز منافع میں ردعمل دیکھا گیا۔ اس مدت میں SBP نے بیس (20) T-Bills نیلامیوں سے مجموعی طور پر 12,443 بلین روپے حاصل کئے۔ سہ ماہی، شش ماہی اور سالانہ مدتوں کے دوران T-Bills منافع بالترتیب 175bps، 193bps اور 264bps تک کم ہوئی۔ اسی طرح متنوع ماہی پالیسی آسانی کے آغاز کے باعث 3 سال، 5 سال اور 10 سال کی مدتوں کے دوران PIB منافع بالترتیب 456bps، 470bps اور 457bps کی کمی ہوئی۔ اس مدت کے دوران، نو (9) PIB نیلامیاں بھی کی گئیں جہاں سے 1,671 بلین روپے حاصل کئے۔

فنڈ نے اس مدت کے دوران 99.908 بلین روپے کی مجموعی آمدنی کمائی۔ 9.277 بلین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 90.631 بلین روپے ہے۔

درج ذیل چارٹ NBP گورنمنٹ سیکورٹیز سیونگ فنڈ کی ایسٹ ایلوکیشن 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 14.16% (par value کا 14.61%) 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 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 فنڈ میٹجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2020ء

مقام: کراچی

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

	Unaudited 31 March 2020	Audited 30 June 2019
Note	------(Rupees in '000)-----	
Assets		
Bank balances	84,109	861,816
Investments	4 583,092	736,275
Profit receivable	7,212	12,356
Deposit, prepayment and other receivables	1,153	994
Receivable against transfer of units	5,913	-
Total assets	<u>681,479</u>	<u>1,611,441</u>
Liabilities		
Payable to the Management Company	5,256	3,804
Payable to the Trustee	43	155
Payable to Securities and Exchange Commission of Pakistan	110	536
Payable against purchase of investments	-	509,729
Payable against redumption of units	7,287	-
Accrued expenses and other liabilities	9,060	4,920
Total liabilities	<u>21,756</u>	<u>519,144</u>
Net assets	<u>659,723</u>	<u>1,092,297</u>
Unit holders' fund (as per statement attached)	<u>659,723</u>	<u>1,092,297</u>
Contingencies and commitments	6	
	------(Number of units)-----	
Number of units in issue	<u>63,379,480</u>	<u>105,846,683</u>
	(Rupees)	
Net assets value per unit	<u>10.4091</u>	<u>10.3196</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

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

	Nine Months Ended		Quarter Ended	
	March 31 2020	March 31 2019	March 31 2020	March 31 2019
	Note ----- (Rupees in '000) -----			
Income				
Income from Market Treasury Bills	31,014	23,124	8,153	19,437
Income from Pakistan Investment Bonds	20,694	-	6,488	-
Income from Term Deposit Receipts	2,423	-	1,361	-
Profit on bank deposits	20,607	12,266	4,566	10,364
Gain / (Loss) on sale of investments - net	3,600	(745)	1,879	(682)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	21,570	123	17,445	122
Total income	99,908	34,768	39,892	29,241
Expenses				
Remuneration of the Management Company	1,670	1,762	535	1,417
Sindh Sales Tax on remuneration to Management Company	217	229	70	184
Remuneration of the Trustee	358	445	101	336
Sindh Sales Tax on remuneration to Trustee	47	58	14	44
Annual fee - Securities and Exchange Commission of Pakistan	110	254	31	206
Allocation of expenses related to registrar services, accounting, operation and valuation services	550	339	156	275
Auditors' remuneration	331	299	110	163
Securities transaction cost	76	-	2	-
Settlement and bank charges	102	66	46	37
Listing fee	19	16	5	5
Professional charges	27	14	9	1
Mutual fund rating fee	248	239	82	72
Printing and other charges	52	22	16	4
Selling & Marketing Expense	3,620	115	1,090	-
Total expenses	7,427	3,858	2,267	2,744
Net income from operating activities	92,481	30,910	37,625	26,497
Provision for Sindh Workers' Welfare Fund	(1,850)	(618)	(753)	(530)
Net income for the period before taxation	90,631	30,292	36,872	25,967
Taxation	-	-	-	-
Net income for the period	90,631	30,292	36,872	25,967
Allocation of net income for the period				
Net income for the period	90,631	30,292	36,872	25,967
Income already paid on units redeemed	(33,009)	(1,752)	(4,553)	(943)
	57,622	28,540	32,319	25,024
Accounting income available for distribution:				
-Relating to capital gains	16,652	-	16,557	-
-Excluding capital gains	40,970	28,540	15,762	25,024
	57,622	28,540	32,319	25,024

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 31 MARCH 2020

	Nine Months Ended		Quarter Ended	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period	90,631	30,292	36,872	25,967
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>90,631</u>	<u>30,292</u>	<u>36,872</u>	<u>25,967</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

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

	Nine Months Ended March 31 2020			Nine Months Ended March 31 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	1,051,874	40,423	1,092,297	98,668	45,221	143,889
Issuance of 236,880,515 units (2019: 152,403,265 units)						
- Capital value	2,444,516	-	2,444,516	1,570,455	-	1,570,455
- Element of income	50,459	-	50,459	67,229	-	67,229
Total proceeds on issuance of units	2,494,975	-	2,494,975	1,637,684	-	1,637,684
Redemption of 279,347,718 units (2019: 10,889,758 units)						
- Capital value	(2,882,761)	-	(2,882,761)	(112,215)	-	(112,215)
- Element of loss	(7,312)	(33,009)	(40,321)	(1,992)	(1,752)	(3,744)
Total payments on redemption of units	(2,923,082)	(33,009)	(2,923,082)	(114,207)	(1,752)	(115,959)
Total comprehensive income for the period	-	90,631	90,631	-	30,292	30,292
Distribution during the period						
-@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)	-	-	-
-@Re. 0.0824 per unit (date of declaration: January 28, 2020)	(421)	(3,779)	(4,200)	-	-	-
-@Re. 0.0963 per unit (date of declaration: February 27, 2020)	(150)	(4,536)	(4,686)	-	-	-
-@Re. 0.3616 per unit (date of declaration: March 27, 2020)	(3,323)	(18,774)	(22,097)	-	-	-
	(43,839)	(51,259)	(95,098)	-	-	-
Distribution for the year ended June 30, 2018: 5.16% (Date of declaration: 04 July 2018)	-	-	-	(500)	(6,364)	(6,864)
	-	-	-	(500)	(6,364)	(6,864)
Net assets at end of the period	579,928	46,786	659,723	1,621,645	67,397	1,689,041
Undistributed income brought forward						
- Realised		46,868			45,280	
- Unrealised		(6,445)			(59)	
		40,423			45,221	
Accounting income available for distribution:						
- Relating to capital gains		16,652			-	
- Excluding capital gains		40,970			28,540	
		57,622			28,540	
Distribution during the period						
- Cash Distribution		(51,259)			(6,364)	
Undistributed income carried forward		46,786			67,397	
Undistributed income carried forward						
- Realised		25,216			67,274	
- Unrealised		21,570			123	
		46,786			67,397	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.3196			10.8208
Net assets value per unit at end of the period			10.4091			10.9103

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 31 MARCH 2020

	Nine Months Ended March 31,	
	2020	2019
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	90,631	30,292
Adjustments:		
Realized (gain) on sale of investments - net	(3,600)	-
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(21,570)	(123)
	65,461	30,169
(Increase) / decrease in assets		
Investments - net	178,353	(1,217,409)
Profit receivable	5,144	(3,176)
Deposits and prepayment	(159)	(6)
	183,338	(1,220,591)
Increase / (decrease) in liabilities		
Payable to the Management Company	1,452	1,167
Payable to the Trustee	(112)	172
Payable to Securities and Exchange Commission of Pakistan	(426)	140
Payable against purchase of investments	(509,729)	1,260,219
Accrued expenses and other liabilities	4,140	651
	(504,675)	1,262,348
Net cash (used in) / generated from operating activities	(255,876)	71,926
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issue of units	2,445,223	1,637,184
Payments against redemption of units	(2,915,795)	(115,959)
Distribution paid	(51,259)	(6,364)
Net cash flows (used in) / generated from financing activities	(521,831)	1,514,862
Net (decrease) / increase in cash and cash equivalents during the period	(777,707)	1,586,787
Cash and cash equivalents at beginning of the period	861,816	103,911
Cash and cash equivalents at end of the period	84,109	1,690,697

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 STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2020**

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 NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an "Income Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).
- 1.4 The objective of the Fund is to provide unit holders with competitive return from portfolio of low credit risk securities by investing primarily in government securities.
- 1.5 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 performance ranking of AA-(f) as at October 18, 2019 to the Fund.
- 1.6 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 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International 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 ACCOUNTING POLICIES

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

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

4 INVESTMENTS

Financial assets 'at fair value through profit or loss'	Note	31 March 2020	30 June 2019
		Unaudited (Rupees in '000)	Audited
Government Securities			
Market Treasury Bills	4.1	233,936	509,729
Pakistan Investment Bonds	4.2	314,156	226,546
Term Deposit Receipt	4.3	35,000	-
		583,092	736,275

4.1 Market Treasury Bills

Issue date	Tenor	Face value				Market value / Carrying value as at March 31 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2019	Purchases during the period	Sales / matured during the period	As at March 31, 2020			
		------(Rupees in '000)-----				------(%)-----		
9 May 19	03 Months	515,000	50,000	565,000	-	-	-	
1 August 19	03 Months	-	124,000	124,000	-	-	-	
2 January 20	03 Months	-	1,000	1,000	-	-	-	
2 January 20	12 Months	-	100,000	100,000	-	-	-	
9 December 19	03 Months	-	20,000	20,000	-	-	-	
7 November 19	12 Months	-	983,930	880,000	103,930	97,627	14.80	
7 November 19	03 Months	-	265,000	265,000	-	-	-	
10 October 19	03 Months	-	105,000	105,000	-	-	-	
10 October 19	12 Months	-	160,800	160,800	-	-	-	
13 February 20	03 Months	-	1,500	1,500	-	-	-	
16 August 19	03 Months	-	519,300	519,300	-	-	-	
19 July 19	03 Months	-	630,000	630,000	-	-	-	
21 November 19	03 Months	-	70,000	70,000	-	-	-	
24 November 19	03 Months	-	200,000	200,000	-	-	-	
24 November 19	12 Months	-	144,880	144,880	-	-	-	
24 November 19	06 Months	-	20,000	20,000	-	-	-	
26 March 20	12 Months	-	100,000	-	100,000	90,663	13.74	
27 February 20	12 Months	-	50,000	-	50,000	45,646	6.92	
29 August 19	12 Months	-	100,000	100,000	-	-	-	
30 January 20	03 Months	-	55,000	55,000	-	-	-	
Total		515,000	3,700,410	3,961,480	253,930	233,936	35.46	
Carrying value before fair value adjustment as at 31 March 2020						232,177		

4.1.1 These carry rate of return ranging from 10.671 % to 13.75% per annum (30 June 2019: 12.58% per annum).

4.2 Pakistan Investment Bonds

Issue date	Tenor	Face value			Market value / Carrying value as at March 31 2020	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2019	Purchases during the period	Sales / matured during the period			
------(Rupees in '000)-----					------(%)-----		
12 July 18	03 Year	255,000	-	255,000	-	-	-
19 July 12	10 Year		25,000		25,000	3.96	4.48
19 September 19	03 Year		300,000	200,000	100,000	14.95	16.91
19 September 19	05 Year		287,500	100,000	187,500	28.72	32.49
Total		255,000	612,500	555,000	312,500	47.62	53.88

Carrying value before fair value adjustment as at 31 March 2020 294,344

4.1.2 These carry rate of return ranging from 11.46 % to 14.01% per annum (30 June 2019: 7.25% per annum).

4.3 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 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 13.1 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. 3.570 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. 0.0563 per unit (June 30, 2019: Rs. 0.0163 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 EXPENSE

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 for the period ended March 31, 2020 is 1.69% (2019: 1.31%) which includes 0.40% (2019: 0.34%) 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.

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

10.3 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

10.4 Transactions during the period:

	(Unaudited)	
	Nine months ended	
	31 March 2020	31 March 2019
	(Rupees in '000)	
NBP Fund Management Limited		
Remuneration of the Management Company	1,670	1,762
Sindh Sales Tax on remuneration of Management Company	217	229
Allocation of expenses related to registrar services, accounting, operation and valuation services	550	339
Sale load	1,449	44
Selling and marketing	3,620	115
Units Redeemed: 9,842,418 units (31 March 2019: 3,423,160 units)	105,248	36,000
Dividend Re-invest units (31 March 2019: 1,365 units).	-	3,414
Employees of the Management Company		
Units Issued: 764,038 units (31 March 2019: 966 units)	8,028	10
Units redeemed: 302,595 units (31 March 2019: 965 units)	3,270	10
Dividend Re-invest 30,664 units(31 March 2019: 1,365 units).	317	14

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



	(Unaudited)	
	Nine months ended	
	31 March 2020	31 March 2019
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	358	445
Sindh Sales Tax on remuneration of Trustee	47	58
Shahid Abdullah - unit holder holding 10% or more units		
Dividend reinvestment: 551,466 units (March 31, 2019: Nil units)	5,693	-
Bonus issue: 308,405 units (March 31, 2019: Nil units)	-	-
Units issued: 8,412,646 units (March 31, 2019: Nil units)	95,693	-
Management Association of Pakistan		
Units Issued: Nil units (31 March 2019: 966 units)	-	2,970
Portfolio managed by the Management Company		
Units redeemed: 3,952,715 units (March 31, 2019: Nil units)	41,401	-
Purchases of Market Treasury Bills	130,840	-
Purchase of PIB	24,759	-
Sell of PIB	8,271	-
NBP Financial Sector Income Fund		
Purchases of Market Treasury Bills	179,430	-
National Bank of Pakistan		
Purchases of Market Treasury Bills	274,410	-
Purchases of PIB	93,536	-
Profit income	70	-
Bank Islami Pakistan Limited		
Profit income	60	-
NBP Income Opportunity Fund (Formerly: NAFA Income Opportunity Fund)		
Purchases of Market Treasury Bills	44,946	-
NBP Mahana Amdani Fund (Formerly: NAFA Savings Plus Fund)		
Sell of Market Treasury Bills	82,978	-
Pakistan Stock Exchange Limited*		
Listing fee paid	25	-

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



10.5 Amounts outstanding as at period / year end:	Unaudited 31 March 2020	Audited 30 June 2019
	------(Rupees in '000)-----	
NBP Fund Management Limited		
Management remuneration payable	287	555
Sindh Sales Tax payable on management remuneration	34	72
Federal excise duty on remuneration of the Management Company	1,864	1,864
Federal excise duty on sales load	371	371
Sales load and transfer load payable	1,230	201
Sindh Sales Tax on sales load	180	46
Allocation of expenses related to registrar services, accounting, operation and valuation services	156	650
Other payable	44	45
Selling and Marketing Expenses Payable	1,090	-
Units held: Nil units (30 June 2019: 9,842,418 units)	-	101,570
 Employees of the Management Company		
Units held: 526,824 (30 June 2019: 34,717 units)	5,484	358
 Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	35	137
Sindh Sales Tax payable on Trustee remuneration	8	18
Security deposit	102	102
 National Bank of Pakistan		
Bank balances	396	449
Profit receivable	40	-
 Summit Bank Limited		
Bank balances	562	1,059
 Bank Islami Pakistan Limited		
Balance in saving account	454	49
Profit receivable	48	-
 Shahid Abdullah - unit holder holding 10% or more units		
Units held: 9,272,517 units (30 June 2019: Nil units)	96,519	-
 Portfolio managed by the Management Company		
Units held: Nil (2019: 35,536,861 units)	-	366,726



11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 27, 2020 by the Board of directors of the Management Company.

12 GENERAL

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

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

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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

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