

NBP ISLAMIC MONEY MARKET 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
Askari Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Summit Bank Limited
United Bank Limited

NBP ISLAMIC MONEY MARKET FUND (FORMERLY ; NAFA ISLAMIC MONEY MARKET FUND)



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 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 unaudited financial statements of **NBP Islamic Money Market Fund (NIMMF)** (Formerly: NAFA Islamic Money Market Fund) (NIMMF) for the period ended March 31, 2020.

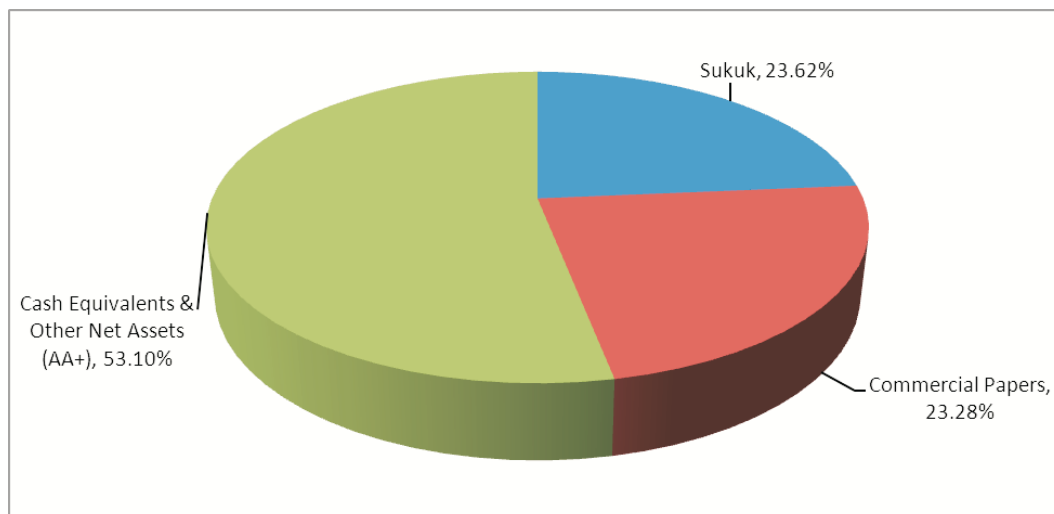
Fund's Performance

The size of NBP Islamic Money Market Fund has increased from Rs. 750 million to Rs. 2,301 million during the period (i.e. a significant increase of 207%). During the period, the unit price of the Fund has increased from Rs. 10.0226 on June 30, 2019 to Rs. 10.9787 on March 31, 2020, thus showing return of 12.7% as compared to the benchmark return of 5.5% for the same period. The performance of the Fund is net of management fee and all other expenses.

NIMMF 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 while also providing easy liquidity along with a high quality credit profile.

During the period under review, the market witnessed issuance of a decent size of Shariah Compliant commercial papers to meet the increasing funding need for working capital/bridge financing for fixed capital investments. 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 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 Coronavirus pandemic.

The Fund has earned a total income of Rs 334.18 million during the period. After deducting total expenses of Rs 27.29 million, the net income is Rs. 306.89 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMMF.



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 میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2020ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

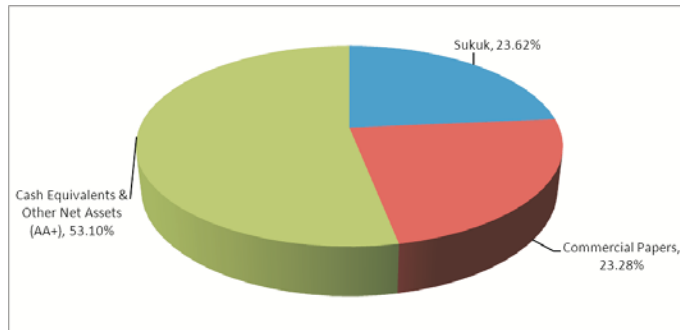
فنڈ کی کارکردگی

موجودہ مدت کے دوران NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کا سائز 750 ملین روپے سے بڑھ کر 2,301 ملین روپے ہو گیا ہے یعنی %207 کا نمایاں اضافہ ہوا۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 10.0226 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2019 کو 10.9787 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک %5.5 کے مقابلے میں %12.7 منافع درج کیا۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ NIMMF کی درجہ بندی بطور شریعہ کمپلائنسٹ منی مارکیٹ فنڈ کی گئی ہے۔ اس فنڈ کا مقصد اسلامی بینکوں / تجارتی بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں تو اتر سے بہتر منافع فراہم کرنا ہے۔ ریٹنگ کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نپ تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی، جبکہ اعلیٰ کوالٹی پروفائل کے ساتھ آسان لیکویڈیٹی بھی فراہم کرتی ہے۔

زیر جائزہ مدت کے دوران، مارکیٹ میں بالترتیب فلسفہ کیپٹل سرمایہ کاری اور ورکنگ سرمایہ کے لئے بڑھتی ہوئی فنڈنگ کی ضروریات کو پورا کرنے کے لئے کارپوریٹ سکوک اور شریعہ کمپلائنسٹ کمرشل پیپرز کے ایک معقول سائز کے اجراء کا مشاہدہ کیا گیا۔ 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 معیاری تبدیلی 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۔

فنڈ نے موجودہ مدت کے دوران 334.18 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 27.29 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 306.89 ملین روپے ہے۔

درج ذیل چارٹ NIMMF کی ایسٹ ایلوکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2020ء

مقام: کراچی

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

	Note	Un-Audited March 31,2020	Audited June 30, 2019
(Rupees in '000)			
ASSETS			
Bank balances		1,207,524	747,089
Investments	4	1,112,079	-
Preliminary and floatation costs		636	802
Deposits, prepayments and other receivables		146	198
Receivables against sale of units		20	-
Markup Accrued		50,679	8,878
Total assets		2,371,084	756,967
LIABILITIES			
Payable to Management Company		8,234	2,233
Payable to Trustee		199	107
Payable to the Securities and Exchange Commission of Pakistan		497	928
Payable against redemption of units		51,079	-
Accrued expenses and other liabilities		10,264	3,206
Total liabilities		70,273	6,474
NET ASSETS		2,300,811	750,493
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		2,300,811	750,493
CONTINGENCIES AND COMMITMENTS	6	-	-
Number of units in issue		209,569,874	74,880,236
NET ASSET VALUE PER UNIT		10.9787	10.0226

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 ENDED AND QUARTER ENDED MARCH 31, 2020

	Note	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019	Quarter Ended March 31, 2020	Quarter Ended March 31, 2019
(Rupees in '000)					
INCOME					
Return / mark-up on					
- bank balances		256,997	87,659	72,820	30,977
- term deposits		23,624	-	5,486	-
- sukuk		30,358	-	20,929	-
- commercial paper		23,200	-	16,618	-
Total income		334,179	87,659	115,853	30,977
EXPENSES					
Remuneration of the Management Company		3,187	9,959	1,075	2,937
Sindh sales tax on remuneration of the Management Company		414	1,295	139	382
Remuneration to the Trustee		1,614	1,222	566	406
Sindh Sales Tax on remuneration of the Trustee		210	159	74	53
Accounting and operational charges to the Management Company		2,483	996	871	294
Selling and marketing expense to the Management Company	7	17,223	-	6,094	-
Annual fee - Securities and Exchange Commission of Pakistan		497	747	175	220
Auditors' remuneration		463	438	165	49
Shariah advisory fee		347	169	83	55
Settlement & Bank charges		296	116	92	65
Annual listing fee		21	21	6	7
Fund rating charges		145	147	47	45
Legal and professional charges		91	44	23	5
Amortization of preliminary expenses and floatation costs		166	167	55	54
Printing charges		129	42	45	3
Total Expenses		27,286	15,522	9,510	4,575
Net Income from operating activities		306,893	72,137	106,343	26,402
Provision for Sindh Workers' Welfare Fund	5	(6,138)	(1,443)	(2,127)	(528)
Net Income for the period before taxation		300,755	70,694	104,216	25,874
Taxation	8	-	-	-	-
Net Income for the period after taxation		300,755	70,694	104,216	25,874
Allocation of Net (loss) / income for the period:					
Net income for the period		300,755	70,694	104,216	25,874
Income already paid on units redeemed		(194,776)	(25,082)	(142,366)	(13,181)
		105,979	45,612	(38,150)	12,693
Accounting Income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		105,979	45,612	(38,150)	12,693
		105,979	45,612	(38,150)	12,693

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 ENDED AND QUARTER ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019	Quarter Ended March 31, 2020	Quarter Ended March 31, 2019
	(Rupees in '000)			
Net Income for the period after taxation	300,755	70,694	104,216	25,874
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	<u><u>300,755</u></u>	<u><u>70,694</u></u>	<u><u>104,216</u></u>	<u><u>25,874</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

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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)			(Rupees in '000)		
Net assets at beginning of the period	748,808	1,685	750,493	1,498,650	20,004	1,518,654
Issue of 797,692,788 units (March 31, 2019: 87,328,449 units)						
- Capital value	7,994,956	-	7,994,956	873,284	-	873,284
- Element of income	246,762	-	246,762	21,596	-	21,596
Total proceeds on issuance of units	8,241,717	-	8,241,717	894,880	-	894,880
Redemption of 663,003,149 units (March 31, 2019: 127,671,182 units)						
- Capital value	(6,645,015)	-	(6,645,015)	(1,276,715)	-	(1,276,715)
- Element of loss	(152,363)	(194,776)	(347,139)	(996)	(25,082)	(26,078)
Total payments on redemption of units	(6,797,379)	(194,776)	(6,992,155)	(1,277,711)	(25,082)	(1,302,793)
Final Distribution for the year ended June 30, 2018						
@ Rs. 0.1518 declared on July 04, 2018						
- Cash Distribution	-	-	-	-	(20,001)	(20,001)
- Refund of capital	-	-	-	(2,707)	-	(2,707)
Interim Distribution for the year ended June 30, 2019						
@ Rs. 0.4028 declared on January 29, 2019						
- Cash Distribution	-	-	-	-	(28,975)	(28,975)
- Refund of capital	-	-	-	(20,376)	-	(20,376)
@ Rs. 0.0677 declared on February 27, 2019						
- Cash Distribution	-	-	-	-	(8,079)	(8,079)
- Refund of capital	-	-	-	(202)	-	(202)
@ Rs. 0.0732 declared on March 29, 2019						
- Cash Distribution	-	-	-	-	(7,752)	(7,752)
- Refund of capital	-	-	-	(14)	-	(14)
	-	-	-	(20,592)	(44,806)	(65,398)
Total comprehensive income for the period	-	300,755	300,755	-	70,694	70,694
Net assets at end of the period	2,193,147	107,664	2,300,811	1,092,520	809	1,093,329
Undistributed income brought forward						
- Realised		1,685			20,004	
- Unrealised		-			-	
		1,685			20,004	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		105,979			45,612	
		105,979			45,612	
Distribution during the period		-			(64,807)	
Undistributed income carried forward		<u>107,664</u>			<u>809</u>	
Undistributed income carried forward						
- Realised		107,664			809	
- Unrealised		-			-	
		<u>107,664</u>			<u>809</u>	
				-- (Rupees) --		-- (Rupees) --
Net assets value per unit at beginning of the period			10.0226			10.1518
Net assets value per unit at end of the period			<u>10.9787</u>			<u>10.0075</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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
(Rupees in '000)		
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	300,755	70,694
Adjustments		
Return / mark-up on		
- bank balances	(256,997)	(87,659)
- term deposits	(23,624)	-
- sukuk	(30,358)	-
- commercial paper	(23,200)	-
Amortization of preliminary expenses and floatation costs	166	167
Provision for Sindh Workers' Welfare Fund	6,138	1,443
	<u>(27,120)</u>	<u>(15,355)</u>
(Increase) in assets		
Investments	(1,112,079)	-
Markup Accrued	292,378	84,335
Deposits, prepayments and other receivables	52	102
	<u>(819,649)</u>	<u>84,437</u>
Increase in liabilities		
Payable to Management Company	6,001	181
Payable to Trustee	92	(58)
Payable to the Securities and Exchange Commission of Pakistan	(431)	333
Accrued expenses and other liabilities	920	502
	<u>6,582</u>	<u>959</u>
Net cash generated from operating activities	<u>(840,187)</u>	<u>70,040</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issue of units	8,241,698	871,582
Net payments on redemption of units	(6,941,076)	(1,302,793)
Distribution paid	-	(64,807)
Net cash (Used in) / generated from financing activities	<u>1,300,622</u>	<u>(496,018)</u>
Cash and cash equivalents at the Beginning of the period	747,089	1,513,430
Cash and cash equivalents at the end of the period	<u><u>1,207,524</u></u>	<u><u>1,087,452</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 STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic Money Market Fund (the Fund) was established under a Trust Deed executed 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 January 09, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 04, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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 classified as sharia compliant "money market scheme" by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to provide competitive return with maximum possible capital preservation by investing in low risk and liquid Shariah Compliant authorised instruments.

The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company and has assigned stability rating AA(f) to the fund.

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 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, 2018 that have a material effect on the financial statements of the Fund.

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

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
4 INVESTMENTS	Note	-----Rupees in '000 -----	
Fair value through profit or loss			
Commercial papers	4.1	552,079	-
Sukuk	4.2	560,000	-
Term deposits receipts	4.3	-	-
		1,112,079	-

4.1 Commercial papers

Name of the investee company	Note.	Face value				Carrying value as at March 31, 2020	Investment as a % of	
		As at July 01, 2019	Purchases during the period	Sales / matured during the period	As at March 31, 2020		Net assets	Market value of total investments
		----- Rupees in '000 -----				----- % -----		
K-Electric Limited	5.1.1	-	35,000	-	35,000	33,234	1.44%	2.99%
K-Electric Limited	5.1.2	-	550,000	-	550,000	518,846	22.55%	46.66%
		-	585,000	-	585,000	552,079	23.99%	49.64%
Market value as at March 31, 2020						552,079		

4.1.1 This represents commercial paper from K- electric Limited issued on 14 February 2020 having face value of Rs. 35 million. This carry profit at the rate of 10.90% and having maturity date of 14 August 2020.

4.1.2 This represents commercial paper from K- electric Limited issued on 10 March 2020 having face value of Rs. 550 million. This carry profit at the rate of 10.87% and having maturity date of 10 September 2020.

4.2 Sukuk

Name of the investee company	Number of certificates				Market value as at March 31, 2020	Investment as a percentage of		
	As at July 01, 2019	Purchases during the year	Disposals / matured during the year	As at March 31, 2020		Net assets	Market value of total investments	Issue size
					Rupees '000	----- % -----		
HUB Power Company Limited - Sukuk (5.2.1)	-	5,600	-	5,600	560,000	24.34%	50.36%	12.44%

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

560,000

4.2.1 Significant terms and conditions of sukuk outstanding as at March 31, 2020 are as follows:

Name of security	Total face value	Unredeemed face value	Mark-up rate (per annum)	Issue Date	Maturity Date
Rupees in '000					
HUB Power Company Limited - Sukuk	560,000	560,000	3 months KIBOR+1.5%	21-Nov-19	21-May-20

4.3 Term deposit receipts

During the period fund made placements in term deposit receipts with UBL Ameen Islamic Bank and Askari Bank Limited (Islamic) which was also matured during the period. These deposits had term of one month and carried interest rates ranging from 12.75% to 13%

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 14 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. 8.555 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. 0.0408 per unit (June 30, 2019: Rs. 0.0323 per unit).

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2020 and as at 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 as at March 31, 2020 is 1.34% (2019: 1.71%) which includes 0.29% (2019: 0.37%) 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 'Shari'ah compliant money market schemes'.

10 TRANSACTIONS WITH CONNECTED PERSONS

- 10.1** 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.
- 10.2** 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.
- 10.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 10.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

Nine Months Ended March 31, 2020 **Nine Months Ended March 31, 2019**

(Rupees in '000)

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

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	3,187	9,959
Sindh sales tax on remuneration of the Management Company	414	1,295
Accounting and operational charges to the Management Company	2,483	996
Selling and marketing expense to the Management Company	17,223	-
Sales Load charged	1,002	53

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	1,614	1,222
Sindh Sales Tax on remuneration of the Trustee	210	159

CDC Trustee NAFA Islamic Capital Preservation Plan - I

Units issued during the period: 10,749,712 units (March 31, 2019: 31,800,539 units)	116,433	315,419
Units redeemed during the period: 62,695,893 units (March 31, 2019: 110,442,681 units)	651,716	1,128,351

Employees of the Management Company

Units issued during the period: 13,484,773 units (March 31, 2019: 218,404 units)	143,208	2,198
Units redeemed during the period: 12,459,183 units (March 31, 2019: 192,867 units)	132,765	1,944

Shafi Gluco Chemicals (Pvt) Limited - More than 10% holding

Units issued during the period: 34,651,260 units (March 31, 2019: Nil units)	379,871	-
Units redeemed during the period: 2,004,519 units (March 31, 2019: Nil units)	(22,000)	-

Sadia Rashid - More than 10% holding

Units issued during the period: 39,970,392 units (March 31, 2019: Nil units)	405,000	-
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Hub Power Company Limited

Purchase of Sukuk	560,000	-
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CDC Trustee NBP Riba-Free Savings Fund

Purchase of K-Electric Commercial Paper	201,131	-
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CDC Trustee NBP Financial Sector Income Fund

Purchase of K-Electric Commercial Paper	305,515	-
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Fauji Fertilizers Company Limited

Units issued during the period: 37,529,312 units (March 31, 2019: Nil units)	380,042	-
Units redeemed during the period: 37,525,416 units (March 31, 2019: Nil units)	384,335	-

	As at March 31, 2020	As at June 30, 2019
	(Rupees in '000)	
10.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Remuneration of the Management Company	321	317
Sindh Sales Tax on remuneration of the Management Company	42	41
Operational expenses	871	536
Selling and marketing expense to the Management Company	6,094	-
Sales load inclusive of Sindh Sales Tax	755	78
Other payable	151	1,261
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	176	95
Sindh sales tax on remuneration of the Trustee	23	12
CDC Charges	16	-
Security deposit	100	100
CDC Trustee NAFA Islamic Capital Preservation Plan - I		
Investment held in the Fund: 15,616,668 units (June 30, 2019: 67,562,848 units)	171,451	677,155
Shafi Gluco Chemicals (Pvt) Limited - More than 10% holding		
Investment held in the Fund: 32,646,740 units (June 30, 2019: Nil units)	3,935	-
Sadia Rashid - More than 10% holding		
Investment held in the Fund: 39,970,392 units (June 30, 2019: Nil units)	4,818	-
Summit Bank Limited		
Bank balance	3,288	1,041
Employees of the Management Company		
Investment held in the Fund: 1,026,164 Units (June 30, 2019: 573 units)	11,266	6
Fauji Fertilizers Company Limited		
Investment held in the Fund: 3,895 Units (June 30, 2019: Nil units)	43	-

11 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on _____ 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

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