

NBP RIBA FREE 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 Shahra-e-Faisal, Karachi.

Bankers to the Fund

Al Baraka Islamic Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Summit Bank Limited
United Bank Limited

NBP RIBA FREE SAVINGS FUND

(FORMERLY; NAFA RIBA FREE SAVINGS 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 Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2020.

Fund's Performance

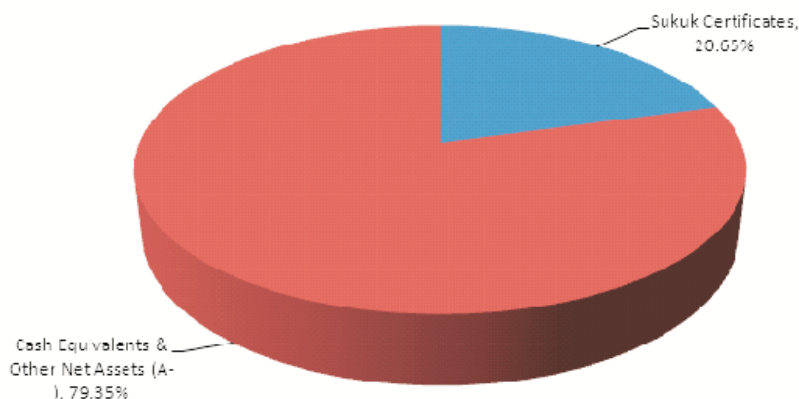
The size of NBP Riba Free Savings Fund has decreased from Rs. 6,569 million to Rs. 5,811 million during the period (i.e. a fall of 12%). During the period, the unit price of the Fund has increased from Rs. 10.2049 on June 30, 2019 to Rs. 11.1320 on March 31, 2020, thus showing a return of 12.1% as compared to the benchmark return of 6.3% for the same period. The performance of the Fund is net of management fee and all other expenses.

NRFSF is an Islamic Income Scheme. The stability rating of the Fund by PACRA is 'A (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

During the period under review, the market witnessed issuance of a decent size of corporate sukuks and Shariah Compliant commercial papers to meet the increasing funding need for fixed capital investments and working capital, respectively. In the secondary market, the trading activity in corporate sukuks remained around Rs. 19 billion compared to Rs. 9 billion, during the same period last year.

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 Coronavirus pandemic.

The Fund has earned a total income of Rs. 627.82 million during the period. After deducting total expenses of Rs. 93.95 million, the net income is Rs. 533.87 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NRFSF.



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 ششماہی کے لئے NBP ربا فری سیونگز فنڈ (سابقہ: NAFA ربا فری سیونگز فنڈ) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

NBP ربا فری سیونگز فنڈ کا سائز اس مدت کے دوران 6,569 ملین روپے سے کم ہو کر 5,811 ملین روپے ہو گیا ہے یعنی 12% کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2019 کو 10.2049 روپے سے بڑھ کر 31 مارچ 2020ء کو 11.1320 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 6.3% کے مقابلے میں 12.1% منافع درج کر لیا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

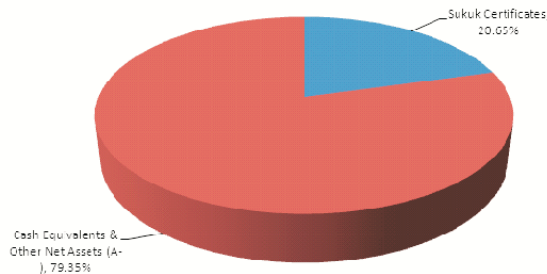
NRFSF ایک اسلامک انکم اسکیم ہے جس کا اسٹاک مارکیٹ اور کارپوریٹ sukuku سے کوئی براہ راست یا بالواسطہ تعلق نہیں ہے۔ فنڈ کو PACRA کی طرف سے (f) A کی اسٹیٹیلٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے تو اترا سے بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیویڈیٹی بھی مہیا کرنا 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 کمپلینٹ کمرشل پیپرز کے ایک معقول سائز کے اجراء کا مشاہدہ کیا گیا۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارت 19 ملین روپے رہی جو کہ گذشتہ سال کی اسی مدت کے دوران 9 ملین روپے تھی۔

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 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۔

فنڈ نے اس مدت کے دوران 627.82 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 93.95 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 533.87 ملین روپے رہی۔

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





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منیجمنٹ 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 منیجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2020ء

مقام: کراچی

NBP RIBA FREE SAVINGS FUND

(FORMERLY; NAFA RIBA FREE SAVINGS FUND)



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			
Balances with banks	4	4,619,546	4,208,621
Investments	5	1,200,000	2,381,549
Prepayment and other receivables		207	416
Profit receivable		59,256	68,097
Receivable against issue of units		9,022	-
Total assets		5,888,031	6,658,683
LIABILITIES			
Payable to the Management Company		15,268	22,303
Payable to the Trustee		463	620
Payable to Securities and Exchange Commission of Pakistan		925	4,197
Payable against redemption of units		19,175	861
Accrued expenses and other liabilities		41,343	61,651
Total liabilities		77,174	89,632
NET ASSETS		5,810,857	6,569,051
Unit holders' fund (As per statement attached)		5,810,857	6,569,051
CONTINGENCIES AND COMMITMENTS			
	10		
-----Number of units-----			
Number of units in issue		521,998,026	643,712,304
-----Rupees-----			
Net asset value per unit		11.1320	10.2049

The annexed notes form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NBP RIBA FREE SAVINGS FUND (FORMERLY; NAFA RIBA FREE SAVINGS FUND)



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

	Nine months ended		Quarter ended	
Note	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
----- Rupees in '000 -----				
INCOME				
Income on Bank balances	455,426	309,411	135,310	127,547
Income on Term deposit receipts	83,206	-	17,538	-
Income on GOP Ijara Sukuks	-	2,949	-	-
Income on Commercial paper	66,978	59,771	8,582	29,785
Income on Sukuk	22,216	-	22,216	-
Realized gain from last year revaluation	-	-	-	380
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(380)	-	(380)
Total income	627,826	371,751	183,646	157,332
EXPENSES				
Remuneration of the Management Company	35,369	26,220	10,246	10,282
Sindh sales tax on remuneration of the Management Company	4,598	3,409	1,332	1,337
Remuneration of the Trustee	3,467	3,879	1,015	1,395
Sindh Sales Tax on remuneration of the Trustee	451	504	132	181
Selling and Marketing Expense	31,721	12,063	9,471	5,720
Annual fee - Securities and Exchange Commission of Pakistan	925	2,899	271	1,073
Reimbursement of operational expenses to the Management Company	4,623	3,865	1,353	1,430
Annual listing fee	21	21	7	7
Settlement & Bank charges	181	434	82	140
Auditors' remuneration	497	542	123	116
Fund rating fee	335	304	119	107
Printing and related costs	28	32	15	5
Shariah advisor fee	794	635	264	250
Legal and professional charges	52	30	14	15
Total expenses	83,062	54,837	24,444	22,058
Net income from operating activities	544,764	316,914	159,202	135,274
	544,764	316,914	159,202	135,274
Provision for Sindh Workers' Welfare Fund	8 (10,895)	(6,338)	(3,184)	(2,705)
Net income for the period before taxation	533,869	310,576	156,018	132,569
Taxation	9 -	-	-	-
Net income for the period after taxation	533,869	310,576	156,018	132,569
Earnings per unit				
Allocation of net income for the period:				
Net income for the period after taxation	533,869	310,576	156,018	132,569
Income already paid on units redeemed	(167,155)	(96,803)	(46,310)	(61,404)
	366,714	213,773	109,708	71,165
Accounting Income available for Distribution				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	366,714	213,773	109,708	71,165
	366,714	213,773	109,708	71,165

The annexed notes 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

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31-Mar-20</u>	<u>31-Mar-19</u>	<u>31-Mar-20</u>	<u>31-Mar-19</u>
	----- Rupees in '000 -----			
Net income for the period after taxation	533,869	310,576	156,018	132,569
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>533,869</u>	<u>310,576</u>	<u>156,018</u>	<u>132,569</u>

The annexed notes 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			2019		
	(Rupees in '000)					
Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	
Net assets at beginning of the period	6,539,757	29,294	6,569,051	3,904,490	112,711	4,017,201
Issue of 587,340,121 units (2019: 658,507,996 units)						
- Capital value	5,993,747	-	5,993,747	6,709,209	-	6,709,209
- Element of income	244,438	-	244,438	193,874	-	193,874
Total proceeds on issuance of units	6,238,185	-	6,238,185	6,903,083	-	6,903,083
Redemption of 709,054,399 units (2019: 467,700,159 units)						
- Capital value	(7,235,829)	-	(7,235,829)	(4,765,163)	-	(4,765,163)
- Element of loss	(127,264)	(167,155)	(294,419)	(55,825)	(96,803)	(152,627)
Total payments on redemption of units	(7,530,248)	(167,155)	(7,530,248)	(4,820,988)	(96,803)	(4,917,790)
Total comprehensive income for the period	-	533,869	533,869	-	310,576	310,576
Final Distribution Nil (@ Rs.0.5334 declared on July 04, 2018)						
- Cash distribution	-	-	-	-	(94,079)	(94,079)
- Refund of capital	-	-	-	(105,771)	-	(105,771)
	-	-	-	(105,771)	(94,079)	(199,850)
Net assets at end of the period	5,247,678	396,008	5,810,857	5,880,814	232,405	6,113,220
Undistributed income brought forward						
- Realised		29,294			112,711	
- Unrealised		-			-	
		<u>29,294</u>			<u>112,711</u>	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		366,714			213,773	
		<u>366,714</u>			<u>213,773</u>	
Distribution paid during the period		-			(94,079)	
Undistributed income carried forward		<u><u>396,008</u></u>			<u><u>232,405</u></u>	
Undistributed income carried forward						
- Realised		396,008			232,785	
- Unrealised		-			(380)	
		<u><u>396,008</u></u>			<u><u>232,405</u></u>	
Net assets value per unit at beginning of the period			<u>10.2049</u>			<u>10.7219</u>
Net assets value per unit at end of the period			<u><u>11.1320</u></u>			<u><u>10.8107</u></u>

The annexed notes 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

	<u>Nine Months Period</u>	
	31-Mar-20	31-Mar-19
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	533,869	310,576
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	380
	<u>450,663</u>	<u>310,956</u>
(Increase) / decrease in assets		
Investments - net	<u>1,264,755</u>	(1,266,451)
Advances, deposits, prepayments and other receivables	209	(7)
Profit receivable	8,841	(24,673)
	<u>1,273,805</u>	(1,291,131)
Increase / (decrease) in liabilities		
Payable to the Management Company	<u>(7,035)</u>	8,537
Payable to the Trustee	(157)	227
Payable to Securities and Exchange Commission of Pakistan	(3,272)	426
Accrued expenses and other liabilities	<u>(20,308)</u>	11,129
	<u>(30,772)</u>	<u>20,319</u>
Net cash (used in) operating activities	<u>1,693,696</u>	<u>(959,856)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	<u>6,229,163</u>	6,797,312
Payment on redemption of units	<u>(7,511,934)</u>	(4,917,335)
Distribution paid	-	(94,079)
Net cash generated from financing activities	<u>(1,282,771)</u>	1,785,898
Net increase in cash and cash equivalents during the period	<u>410,925</u>	826,042
Cash and cash equivalents at the beginning of the period	<u>4,208,621</u>	3,921,350
Cash and cash equivalents at end of the period	<u><u>4,619,546</u></u>	<u><u>4,747,392</u></u>

The annexed notes 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 Riba Free Savings 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 June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

Last year on May 13, 2019, the name of the Fund was changed from NAFA Riba Free Savings Fund to NBP Riba Free Savings Fund. The change of name was made effective vide Fund's Eleventh Supplement Offering Document which was approved by SECP vide its letter no. SCD/AMCW/NAFA/407/2019 dated May 13, 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 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 a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "income 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 preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

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

Title of the assets of the Fund is held in the name of CDC as a 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 VIII A 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 VIII A 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 VIII A 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.

		(Un-audited) March 31, 2019	(Audited) June 30, 2019
4 BANK BALANCES	Note	-----Rupees in '000-----	
Current accounts		28,546	23,890
Savings accounts		<u>4,591,000</u>	<u>4,184,731</u>
		<u><u>4,619,546</u></u>	<u><u>4,208,621</u></u>
5 INVESTMENTS			
Financial assets at fair value through profit or loss	5.1	1,200,000	-
Sukuk		-	1,406,549
Commercial Paper		-	975,000
Term deposit receipts		<u>1,200,000</u>	<u>2,381,549</u>

5.1 Sukuks Certificates - At fair value through profit or loss

All sukuks have a face value of Rs. 5,000 each except for Hub Power Company Ltd. Sukuks which have face value of Rs. 100,000 each.

Name of the investee company	As at July 01, 2019	Number of certificates			Market Value as at March 31, 2020	Investment as a	
		Purchases during the period	Sales during the period	As at March 31, 2020		Market Value as a % of	
						Net assets	total investment
		----- Rupees in '000' -----				----- % -----	
Hub Power Company Ltd.	-	7,000	-	7,000	700,000	12.05	58.33
K Electric Sukuk	-	100,000	-	100,000	500,000	8.60	41.67
					<u>1,200,000</u>		
Carrying value before mark to market as at March 31, 2020					<u>1,200,000</u>		

6 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.

7 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2020 is 2.03% (2019: 1.58%) which includes 0.36% (2019: 0.34%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shariah Compliant Income Scheme'.

8 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 16 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.25.950 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. 0.0497 per unit (June 30, 2019: Rs. 0.0234 per unit).

9 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 unit holders. 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.

10 CONTINGENCIES AND COMMITMENTS

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

11 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

11.1 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. It also includes associated companies of Management Company due to common directorship, post employment benefit funds of the Management Company and its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes 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.

- 11.2** The transactions with connected persons and related parties are carried out at terms.
- 11.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4** Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

		----- (Un-Audited) -----	
		<u>Nine months Period ended</u>	
		March	March
		31,2020	31,2019
		----- Rupees in '000 -----	
11.5	Transactions during the period		
	NBP Fund Management Limited		
	Formerly NBP Fullerton Asset Management Limited (Management Company)		
	Management remuneration for the period	35,369	26,220
	Sindh sales tax on remuneration of the Management Company	4,598	3,409
	Selling and marketing expense	31,721	12,063
	Accounting and operational charges to the Management Company	4,623	3,865
	Sales Load	493	1,663
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration	3,467	3,879
	Sindh Sale tax on Remuneration	451	504
	CDS Charges	15	11
	Employees of Management Company		
	Units issued / transferred in 1,224,380 units; (2019: 6,714,396 units)	13,064	70,099
	Units redeemed / transferred out 2,625,044 units; (2019: 6,241,165 units)	27,887	65,659
	NBP FUND's Employee Provident Fund (Management Company)		
	Units issued / transferred in Nil units (2019: 34,091 units)	-	127
	Units redeemed / transferred out 189,271 units (2019: 100,140 units)	1,998	1,055
	Portfolio Managed By Management Company		
	Units issued / transferred in 13,225,431 units (2019: 5,650,022 units)	141,746	58,315
	Units redeemed / transferred out 13,985,736 units (2019: 5,425,412 units)	149,999	56,958
	Mr. Khalid Mehmood - Chief Financial Officer		
	Units issued / transferred in 38,846 units (2019: 222,227 units)	400	2,303
	Units redeemed / transferred out 441,969 units (2019: 223,827 units)	4,722	2,329
	BANKISLAMI PAKISTAN LIMITED - (Common directorship)		
	Profit earned from savings account	178,400	15,684
	Placements of term deposit receipts	6,421,000	-
	Profit earned from term deposit receipts	83,206	-

NBP RIBA FREE SAVINGS FUND

(FORMERLY; NAFA RIBA FREE SAVINGS FUND)



		----- (Un-Audited) -----	
		Nine months Period ended	
		March	March
		31,2020	31,2019
		----- Rupees in '000 -----	
	NBP ISLAMIC MAHANA AMDANI FUND (CIS managed by the Management Company)		
	Sold Commercial paper during the period	388,056	-
	Hub Power Company Limited- (common directorship)		
	Purchased Sukluk durig the period	700,000	-
	Profit earned on Sukuk during the period	3,570	-
	NBP ISLAMIC DAILY DIVIDEND FUND (CIS managed by the Management Company)		
	Sold Commercial paper during the period	157,638	-
	NBP ISLAMIC MONEY MARKET FUND (CIS managed by the Management Company)		
	Sold Commercial paper during the period	201,131	-
	Pakistan Stock Exchange Limited - (Common Directorship)		
	Listing Fee paid	25	-
		(Un-Audited)	(Audited)
		March	June 30,
		31, 2020	2019
		----- Rupees in '000 -----	
11	Balances outstanding as at period		
	NBP Fund Management Limited		
	Remuneration payable	3,643	5,048
	Sindh sales tax on remuneration of the Management Company	434	657
	Selling and Marketing expense payable	9,471	12,645
	Operational expenses	1,353	3,161
	Sales load payable and sales tax on sale load	699	792
	FED Payable on remuneration of the Management Company	10,657	10,657
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration payable	374	549
	Sale tax on Remuneration payable	89	71
	CDS settlement charges payable	14	13
	Security deposit	200	200
	National Bank of Pakistan - Parent Company		
	Balance in current account	3,027	2,837
	Employees of Management Company		
	Investment held in the Fund 188,527 units (June 30, 2019:1,593,082 units)	2,099	16,320
	*Summit Bank Ltd. (common Directorship)		
	Balance in current account	-	7,888
	Bank Islami Pakistan Limited		
	(Common Directorship with the Management Company)		
	Bank balance	1,502,135	874,415
	Accrued profit	18,020	15,885
	NAFA Employee Provident Fund (Management Company)		
	Investment held in the Fund 533,119 units (June 30, 2019: Nil units)	5,935	-

NBP RIBA FREE SAVINGS FUND

(FORMERLY; NAFA RIBA FREE SAVINGS FUND)



	(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	----- Rupees in '000 -----	
Portfolio Managed by the Management Company		
Investment held in the Fund 5,592,019 units (June 30, 2019: 6,353,216 units)	62,251	64,834
Mr. Khalid Mehmood - Chief Financial Officer		
Units held: Nil units (June 30, 2019: 403,123 units)	-	4,114
Hub Power Company Limited- (common directorship)		
Investment in Sukluk	700,000	-
Accrued Profit on Sukuk	3,570	-

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

12 DATE OF AUTHORISATION FOR ISSUE

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

13 GENERAL

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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